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CONSOLIDATION OF GOVERNMENT AGENCIES FOR
THE BENEFIT OF DISABLED EX-SERVICE MEN



HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE
OF THE HOUSE OF REPRESENTATIVES

SIXTY-SEVENTH CONGRESS

FIRST SESSION

ON

H. R. 3

PART 2

APRIL 30, MAY 2 AND 4, 1921



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COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,

HOUSE OF REPRESENTATIVES.

SIXTY-SEVENTH CONGRESS, FIRST SESSION.

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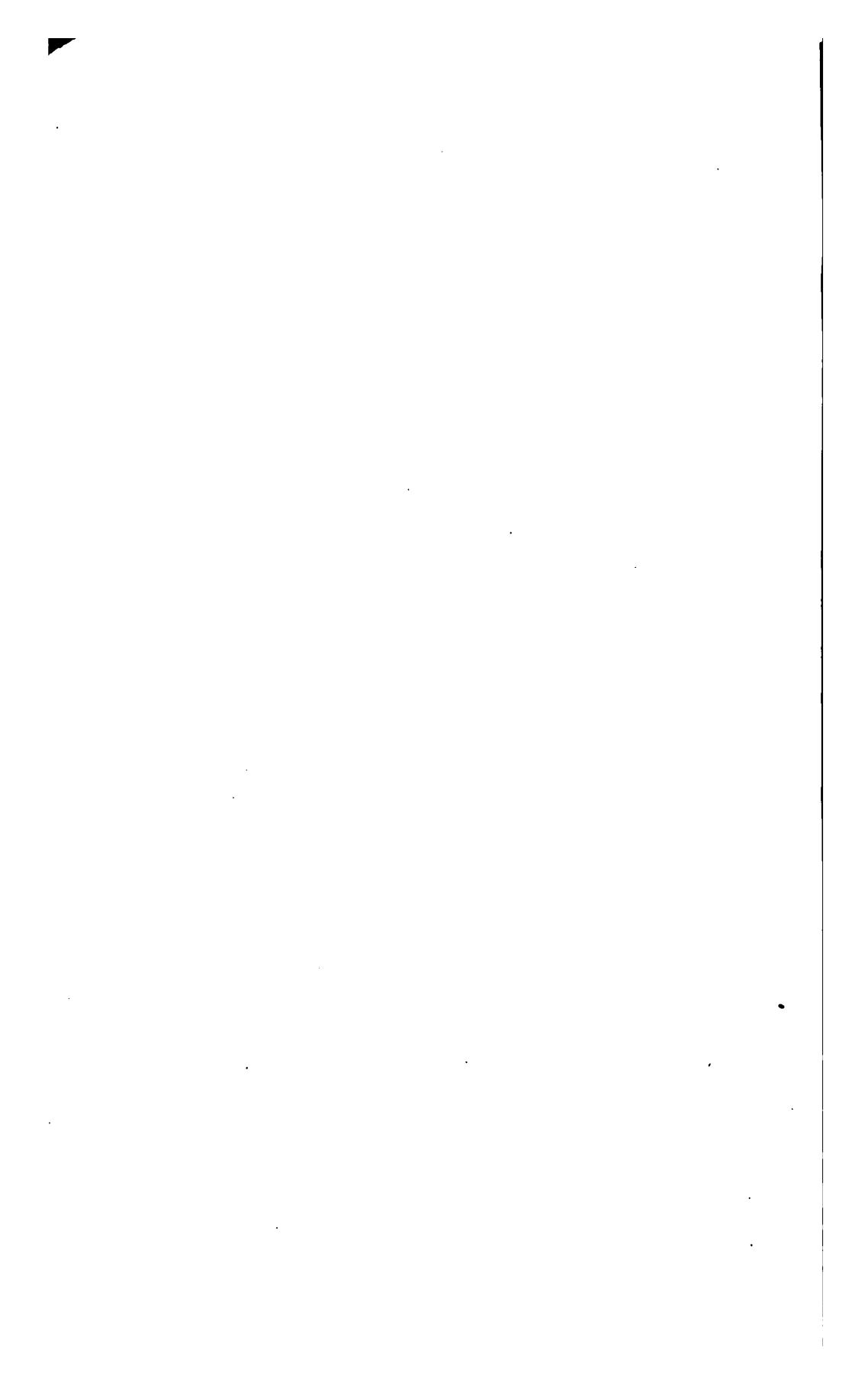
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CONSOLIDATION OF GOVERNMENT AGENCIES FOR THE BENEFIT OF DISABLED EX-SERVICE MEN.

SUBCOMMITTEE ON WAR RISK INSURANCE OF
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 30, 1921.

The subcommittee met at 10 o'clock a. m. pursuant to adjournment on yesterday, Hon. Burton E. Sweet (chairman) presiding.

Mr. SWEET. The committee will come to order. We are now ready to continue our hearings on H. R. 3, a bill to establish in the Treasury Department a veterans' bureau and to improve the facilities and service of such bureau, and further to amend and modify the war-risk insurance act.

We have with us this morning Col. R. G. Cholmeley-Jones, who until a few days ago was director of the War Risk Insurance Bureau.

Col. Cholmeley-Jones, the committee would like to have you go over the bill and make any suggestions you deem proper.

STATEMENT OF MR. R. G. CHOLMELEY-JONES, FORMERLY DIRECTOR OF THE WAR RISK INSURANCE BUREAU.

Mr. CHOLMELEY-JONES. Mr. Chairman and gentlemen of the committee, I have read with a great deal of care and interest H. R. 3, which is before your committee at this time, and I have certain suggestions which in my opinion might assist the committee in its further consideration of the bill. If you would like to have me do so I can read you these several items.

Mr. SWEET. You may proceed in your own way.

Mr. CHOLMELEY-JONES. H. R. 3 provides that there be established in the Treasury Department a bureau to be known as the veterans' bureau, the director of which shall be an Assistant Secretary of the Treasury, in addition to those otherwise provided by law, and that the director shall receive a salary at the rate of \$10,000 per annum.

I think this a very splendid provision. I think if the head of this bureau could be an assistant secretary of the department under which the bureau operates, it would facilitate matters materially, and it would help in the proper operation of the bureau, and I think it would be equally satisfactory to the Secretary of the department.

In the Dawes report it is suggested that a new bureau be created, and that such bureau be under the supervision of a director general and that he should report directly to the President.

The principles involved in bill H. R. 3 and in the Dawes report are really similar, in that the director of the bureau should not go through an intermediary official before reporting to the executive under whose jurisdiction the bureau operates, whether it be the

President or the Secretary of the Treasury. I believe that principle is very sound indeed, and I would certainly commend that feature of the bill. I think, for instance, if the present Assistant Secretary of the Treasury, Mr. Ewing Laporte, is in fact the director of the bureau that it would be a better form of organization.

Section 3, as concerns the functions, powers, and duties conferred by existing law upon the Bureau of War Risk Insurance, is, in my opinion, O. K. But lines 7 to 17, inclusive, of section 3 should, in my opinion, be amended by eliminating the first sentence referring to the United States Public Health Service in view of the fact that the field services formerly performed by the United States Public Health Service have already been transferred under existing law to the Bureau of War Risk Insurance.

Mr. SWEET. Do you believe that the provisions of section 3 are in conflict with the consolidations that have already been made; in other words, if the language were left in the bill as at present it would not in any way interfere with the present consolidation?

Mr. CHOLMELEY-JONES. It would not interfere as I see it with the present consolidation. The original War Risk act reads to the effect that in addition to compensation there shall be furnished such governmental, medical, and hospital services and supplies as may be necessary. I have not a copy of it here.

Mr. SWEET. Here is a copy of it.

Mr. CHOLMELEY-JONES. It reads:

In addition to the compensation above provided the injured person shall be furnished by the United States such reasonable governmental, medical, surgical, and hospital services, and with such supplies including artificial limbs, trusses, and similar appliances, as the director may determine to be useful and reasonably necessary.

So that under the provisions of the original act as amended by the so-called Sweet bill, which included this phraseology and then added a broader service as in the opinion of the director might be deemed useful and reasonably necessary, there is already a provision under the law for the Bureau of War Risk Insurance to perform the functions heretofore performed by the United States Public Health Service and which has now been transferred to the Bureau of War Risk Insurance by the Secretary of the Treasury. So that while as you see this particular paragraph may not be in conflict with the present consolidation or proposed consolidation, I am just calling your attention to the fact that it is, you might say, superfluous. Lines 18 to 25, providing for the transfer of the Federal Board for Vocational Education, including the Rehabilitation of the Federal Board, is very desirable. That would complete really the consolidation of the services of the Government to ex-service men and women, the consolidation having already become effective, as to examination and rehabilitation would be the next step.

Section 4 is O. K. with the changes pointed out as concerns the United States Public Health Service in section 3.

Section 5 should be enacted if any plan of consolidation is agreed upon, for the files and documents should be consolidated, of course.

Section 6, on page 6, lines 4 and 5, where the words "pension awards" are used, the language should be changed to read "compensation awards."

Mr. SWEET. I will say that the word "pension" was left in there by reason of a little oversight on my part. In the first place, I put pensions in the bill, and afterwards took out of the bill all reference to pension legislation. That one word "pension" remained in through an oversight. That will go out in any event.

Mr. CHOLMELEY-JONES. It might be misleading because of the fact that there is a Pension Bureau.

Mr. SWEET. Certainly.

Mr. CHOLMELEY-JONES. Section 7 is correct in its entirety in my opinion.

In section 8 where it refers to taking over certain functions, powers, and duties of the United States Public Health Service, that should be changed in accordance with the Dawes report in this respect, for according to my personal opinion the United States Public Health Service should continue to run the hospitals. I personally do not believe that it would be well to have the Bureau of War Risk Insurance or this new bureau that is to be created responsible for the actual running of hospitals. I believe that they should contract with other governmental agencies for hospital facilities. The United States Public Health Service, the Army, the Navy, the Soldiers Home or the Indian Bureau. And, beyond that, the bureau should contract with proper institutions, State, county or municipal, for the care and treatment of patients.

Furthermore the bureau should have an inspection service to examine carefully the service rendered patients of the bureau placed in these various hospitals, institutions and sanitariums. Wherever the service is not satisfactory it should be called immediately to the attention of those responsible for handling the hospitals for correction. I believe it would be immediately corrected. And if it were not possible to correct the condition complained of, for instance in a hospital in an isolated position, then it should be within the power and authority and the duty of the director of this bureau to take the patients from that hospital, whether it be a Government or a private hospital, or a city or county or municipal hospital, and put the patients in another hospital.

Mr. SWEET. Let me see if I understand you clearly. Your view is this, that all the patients or beneficiaries of the Veterans' Bureau are to be turned over to the United States Public Health Service or to hospitals where contracts may be made for hospitalization, and that when they are so turned over to the United States Public Health Service or to other hospitals where they are to receive hospitalization, then those agencies are to be fully responsible for the care and treatment of the patients while in those hospitals?

Mr. CHOLMELEY-JONES. Yes; just as if you would send your daughter to a hospital. The hospital then is responsible for her care and treatment. If it is not satisfactory you take your daughter from that hospital.

Mr. SWEET. And then this new veterans' bureau is to have a system of inspection?

Mr. CHOLMELEY-JONES. Yes.

Mr. SWEET. For the purpose of ascertaining the treatment and care that the patients are receiving?

Mr. CHOLMELEY-JONES. Yes.

Mr. SWEET. And with full authority to remove the patients from any hospital provided they are not getting the care and treatment the inspection develops they should have?

Mr. CHOLMELEY-JONES. Exactly. And, too, I believe it to be the plan of the bureau to have in hospitals representatives of the bureau of veteran relief, representatives for the purpose of adjusting their claims of compensation. So that you would have official representatives of the bureau there to make all adjustments. If the men were not receiving compensation or certain things happened that needed adjustment it would be adjusted then and there. Also they would make a great many examinations in the hospitals, and we could have our examiners there for the purpose of making ratings in those hospitals while the patient was there. In other words, such representative could personally determine the rate of compensation that should be paid to a patient, and the branch of the Government responsible for the proper conduct of the hospital would be there without any interference from persons in the bureau.

Mr. SWEET. In the veterans' bureau you would have a medical division separate and distinct from the United States Public Health Service?

Mr. CHOLMELEY-JONES. Yes.

Mr. SWEET. And that medical division would be entirely under the supervision and control of the director of the veterans' bureau?

Mr. CHOLMELEY-JONES. Exactly.

Mr. SWEET. I wish you would detail briefly the field that the medical division organized within the veterans' bureau should cover.

Mr. CHOLMELEY-JONES. As I see it the duties of the medical division of the bureau, under the direct supervision of the director of the bureau, would be responsible for the entire hospitalization program. It would be their responsibility to make contracts with private institutions, such as getting beds required beyond those furnished in Government hospitals.

Mr. SWEET. If I may interrupt you there, in other words, as far as hospitalization is concerned it will be contractual?

Mr. CHOLMELEY-JONES. Exactly.

Mr. SWEET. As between the veterans' bureau and the other agencies?

Mr. CHOLMELEY-JONES. Exactly. It would be the duty then of this bureau and of the medical department to advise the director as to what facilities are needed and where needed and when needed, and when used if satisfactory. For instance, if we might be using a number of hospitals with a few patients in each hospital it would be the duty of the medical division in Washington, through the district offices, to make arrangements to use fewer hospitals with a larger number of patients in each hospital used.

In other words, it would be the duty of that department of the bureau to so organize the hospital facilities of the country as to make the very best service available to the patients of the bureau. In addition to that, they would first develop to the maximum the facilities of the Government. They would know, of course, at all times where facilities were available in the United States Public Health Service, in the Army, in the Navy, at soldiers' homes, and in the Interior Department through some of the Indian schools. They would know how to develop those facilities to the maximum with

new construction or additions or alterations. In event of the need of facilities beyond those they would recommend certain necessary construction independent of these departments. But it would seem to me that in constructing a hospital that such hospital should then become a part of one of the now organized bureaus of the Government.

For instance, if we went off to a certain part of the country where a hospital should be built, and it could not be put on the property of the United States Public Health Service or of the Army or the Navy or of the Marine Corps or at a soldiers' home, that instead of building that hospital independently and running it by the Bureau of Veterans' Relief that it should be made a part of the organization of the United States Public Health Service or a part of the Medical Division of the Army or of the Navy or of the soldiers' home. And then they would be responsible for the running of that hospital, having in mind the future use of the hospital and its location.

For instance, it is conceivable that in some of the seaboard States where new hospitals were constructed it would be best to have them as a part of the United States Public Health Service, because in the years to come, when the load is lessened in the matter of care required for World War veterans, it would be used by the United States Public Health Service for their other patients. Or in another part of the country where there is no provision for the care of veterans of all wars, such as in the soldiers' homes, that hospital might be made a part of the soldiers' home program, etc.

In other words, having in mind the future program of the Government as applied to the United States Public Health Service, the National Home for Disabled Volunteer Soldiers, the Army, the Navy, etc.

Take the soldiers' home, for instance, and it is perfectly obvious that there will be a very heavy demand in the years immediately before us upon those homes by the veterans of this World War. In building hospitals in certain locations where there are no national soldiers' homes now and making them a part of that organization, using their commissary to quickly develop a situation to meet the need, using their hospitals in certain numbers, there will be fewer soldiers of other wars and all the while there will be more veterans of the World War coming into those homes for residence purposes. Just as in the past year the National Home for Disabled Volunteer Soldiers has segregated the veterans of other wars into certain homes and made available complete homes for veterans of the World War for hospitals, I can see that in a certain number of years they will want to again segregate the veterans of the World War for hospital purposes and make available complete homes for domiciliary purposes for veterans of the World War. The picture will be reversed.

Since it is quite obvious that we will need these services, how much better it might seem in the building of these hospitals and expanding this program for the immediate need to have all that in view. For instance, it would be a great mistake, it would seem to me, to put all those hospital people in the national soldiers' homes or all of them in the quarters provided by the Army or the Navy, or all of them in the Interior Department where they have provided quarters in connection with Indian schools, or all of them in the United States Public Health Service; but if in building them, knowing the future, you could have them a part of the existing agencies of the

Government, having in mind future use, I think the situation would be better taken care of.

It is for that reason that I have the view that it would be well not to have a separate hospital operating department of the Government established as an independent unit. On the theory that that were done you would get a certain number of hospitals handled by the Bureau of War Risk Insurance alone. The patients will eventually become fewer and fewer, and then what are you going to do? You would then have to enact laws separating them and giving them to this institution and that institution. Just from seeing the confusion that exists in the changing of property from one department to another, or from one organization to another, would lead me to believe very definitely, in my opinion, that it would be very much better to make these hospitals that are to be constructed a part of the now existing Government agencies for the operation of hospitals.

Mr. SWEET. You spoke a moment ago of using the United States Public Health Service to take care of all hospitalization.

Mr. CHOLMELEY-JONES. Not all hospitalization.

Mr. SWEET. Not all of it?

Mr. CHOLMELEY-JONES. Only the patients sent to them for hospitalization. For instance, we know the service available in the Army and the Navy and at the soldiers' homes and of the men that are being cared for now by the United States Public Health Service. We know also that we are contracting with a certain number of hospitals for the care of patients. We know that it is the policy of the Government to have them in Government hospitals.

We would say, for instance, to the Public Health Service, or to the soldiers' homes, or to the Army or the Navy that we need additional Government hospital facilities in this locality. It seems to me these Government hospital facilities should be operated by your organization. Now, here is the program—

Mr. SWEET (interposing). This thought occurs to me: Would it be best to have all this question of hospitalization done through the United States Public Health Service and have the United States Public Health Service make the contracts with these various institutions, or do you believe it would be best to have the veterans' bureau contract with the United States Public Health Service and all these other agencies doing hospitalization work?

Mr. CHOLMELEY-JONES. I believe the latter way is by far the more practical.

Mr. SWEET. Of course, there is this thought—that the United States Public Health Service is perhaps best qualified to know what would be the proper care and treatment for disabled soldiers. But you expect to reach that, as I understand it, through a most rigid inspection of all hospital facilities contracted for, if that plan were adopted?

Mr. CHOLMELEY-JONES. Yes, sir; using, for instance, the organized associations, like the National Tuberculosis Association, and American Medical Association, and all the different organizations, that are very glad to cooperate in that respect.

This is my own personal opinion, but I believe it would be much more satisfactory to the United States Public Health Service to run the hospitals and not be burdened with a lot of administrative duties. It is not always satisfactory for some one to contract with some one and that some one to contract with somebody else.

Mr. SWEET. I understand the disadvantage of that.

Mr. CHOLMELEY-JONES. And where under the law a certain bureau is responsible for the paying of compensation and medical care and treatment of the beneficiaries of this war, you have to centralize this responsibility, and if that agency contracts with agencies of the Government who have the facilities, and they then provide the facilities, and then you examine those facilities so provided under contract, with great care, in the spirit of cooperation, you will get good results. I feel that that would be more acceptable, at least according to my own belief, to the United States Public Health Service and to the Army and to the Navy and to the other departments, and I feel that it is the psychology of human beings that if the Bureau of Veteran Relief does not itself run hospitals, it is not then competing with any other organization in the running of hospitals, and is not inclined to rather favor its own hospitals and be kind to them when examining its own hospitals, and then be rigid with somebody else's hospitals. I think if they are entirely free from the operation of hospitals it will be better.

Mr. SWEET. You think that in that way it would bring about more cooperation, and that there would not be the antagonism that would be naturally engendered by a division of the responsibility?

Mr. CHOLMELEY-JONES. I believe so. I believe it would be the tendency of the Bureau of War Risk Insurance, irrespective of who may be at the head of it and the changes from year to year, for that bureau to gradually enlarge its own hospital service and facilities. They would take in this hospital and that hospital, and take over this Public Health hospital and that Army hospital and this Navy hospital. That is the tendency of human nature. It would then get in the position of rather competing and trying to take one property from another agency, and all that sort of thing. Here, where the contracting party is entirely independent and really does not care to have in charge the agency giving the service contracted for, it will work out more satisfactorily and economically, I think. And it is more satisfactory for these parties directed to contract with an agency if they themselves are not running hospitals.

Mr. SWEET. What have you to say as to the question of the economy of the plan you propose?

Mr. CHOLMELEY-JONES. I think that is an economic plan. I believe this, that in making available certain surplus materials of any department of the Government, or service of the Government, that it should be made available to any service that may need it. And that might be done—I say might be done, because I have not given it enough thought to make a recommendation to you—might be done through the director of this bureau. For instance, the director of the bureau knows he has to get the United States Public Health Service to remodel a hospital or to make additions or alterations. He knows of this available material from other departments of the Government, the Army or the Navy or whatever department it may be. The Public Health Service will likely say: We need such and such quantities of such and such material. The director of the bureau gets that and gives it to the Public Health Service, and he O. K.'s it and says: This is for soldier hospitals. The soldiers' homes get the same thing. If it goes through only one clearing house, so there will be one clearing point, it can be econom-

ically and fairly distributed. I think the War Department and the Navy Department, or whatever department it might be, would like to have just one agency come to them. Otherwise you will have a lot of agencies competing for the same thing. And they in turn may be building up a sort of surplus in the way of materials, anticipating that they will need them, and yet those materials might be needed to-day somewhere else.

I think centralization of supplies that might be made available would be a good thing. I think that centralization of authority on the director of the bureau for hospitalization, medical care and treatment of these patients, is very essential, and then let him contract with the hospitals therefor. Then when you are asked for appropriations there will be one source and one schedule and there will be one organization entirely responsible.

Mr. SWEET. As to section 8 that would mean striking out then, say, from line 19 on page 6 down to line 14 on page 7, all reference to the various measures which have been passed with reference to hospitalization, would it not, and construction of hospitals? In other words, instead of the Veterans' Bureau handling the funds in regard to construction of hospitals that would be left to the United States Public Health Service under the provisions of the measures that have already been passed?

Mr. CHOLMELEY-JONES. Exactly. Through the Secretary of the Treasury the Public Health Service has that authority. If you leave them that authority they can go ahead operating hospitals. So that as you say from the word "and" in line 19, page 6, down to and including the word "rehabilitation" on page 7, line 14, should be stricken out.

Mr. SWEET. I just want to know whether you are in accord with those suggestions. As I understood your statement you are in harmony with the suggestions?

Mr. CHOLMELEY-JONES. Yes, sir.

Mr. PARKER. If you should strike this language out how long would it take the head of the War Risk Insurance Bureau to get the personnel together in order to build these hospitals?

Mr. CHOLMELEY-JONES. The bureau will never build these hospitals.

Mr. PARKER. Suppose this language were left in the bill and they were given authority to build them, how long would it take them to get the necessary personnel together to go to work to do it, personnel which the United States Public Health Service has now? How much delay would there be in that case?

Mr. CHOLMELEY-JONES. Well, as to the personnel necessary in the construction of hospitals, the Supervising Architect of the Treasury, who is responsible for the construction of hospitals, has a number of people for that work.

How many people does he have?

Surg. Gen. CUMMING. I do not know. I do know that they have quite a bureau. They are taking on a large number of people now, waiting for the Secretary's hospitalization committee to report. I do not know how many people they have, however.

Mr. CHOLMELEY-JONES. They have three or four hundred people now, I understand. Under this change proposed they will use the now existing organization and not have duplication.

Mr. PARKER. Suppose you have to start at the top and get the organization that the United States Public Health Service has, and go and pick out a location, and begin work, it would mean a month's delay, wouldn't it?

Mr. CHOLMELEY-JONES. I do not believe they ought to construct hospitals. In all probability what they would do, which would be a duplication of the service that is now had, would be to employ an architect and employ a contractor and get bids and so on, and then go ahead and build the hospital. They may even have to do that now with some of them if the load comes on too heavy.

Mr. PARKER. There is no question in your mind but what if this proposition you have suggested is carried out you will get the hospitals built more quickly than in any other way?

Mr. CHOLMELEY-JONES. Oh, I think that is the way to do it.

Mr. PARKER. I thought if you had to build up your personnel from the top down it would take months to get ready to operate hospitals; and it would change your whole system and not use what is available in the United States Public Health Service.

Mr. CHOLMELEY-JONES. Yes, sir; and they ought to be used, absolutely. Under the New York State act authorizing the expenditure of \$3,000,000 for the construction of a hospital, the thing that they did—and I think it was a very splendid thing, but whether or not it could be done by the Federal Government on such a large scale I do not know—was to waive all requirements for getting bids and for civil service and all those different things. In other words, they said: Here is the money to build hospitals. You must have plans approved by the Secretary of the Treasury, and then go out and build them just as quickly as you can. It does take time to comply with the various limitations that are put there, for just reasons no doubt to safeguard the interests of the people of the United States and the funds of the Treasury.

Mr. PARKER. That hospital might have been built and operated by this time.

Mr. CHOLMELEY-JONES. Yes, sir. And we would have a thousand patients in that hospital. I believe that if the Congress of the United States could in this emergency and for the building of these hospitals waive some of these restrictions as to bids, as to civil service employees, etc., and say, for God's sake build these hospitals as quickly as you can, and we are going to trust you to do the right thing, it would facilitate things materially.

Mr. LEA. That would be justified only to the extent that the emergency requires it.

Mr. CHOLMELEY-JONES. Absolutely.

Mr. LEA. As a general proposition, you would get better results and more quickly by adding to an existing hospital rather than to build a new one with new personnel and separate overhead to be established and so on.

Mr. CHOLMELEY-JONES. Yes.

Mr. LEA. I presume the figures are in the record to show how specific and certain this emergency is.

Mr. CHOLMELEY-JONES. Oh, yes. This committee has gone into the matter very thoroughly, and we have appeared before the Appropriations Committee of the House, and before the Building and

Grounds Committee of the Senate, and the Appropriations Committee of the Senate, and it has been gone into very exhaustively.

Mr. LEA. Is the available supply of hospitals practically exhausted at the present time?

Mr. CHOLMELEY-JONES. It is actually exhausted. You may have read some of the remarks of the Senator from Massachusetts [Mr. Walsh] regarding hospitals in Massachusetts that are being used for the care and treatment of World War patients. That means that there are not enough Government facilities to care for these men, and we are obliged to use hospital facilities that are supplied by a community for its own people. And, as the Senator says, if the hospital facilities furnished by the people of the United States for their civilian population are not satisfactory, or are so unsatisfactory that they are not fit places to have veterans of the World War, we must do something and do it quickly. This applies equally to the sick of the civilian population—they should not be treated in an institution that is not satisfactory for the care of the World War patients.

Mr. LEA. Is there any reliable data on which you can accurately say, or with a fair degree of accuracy estimate, what will be the expansion of this need in the future?

Mr. CHOLMELEY-JONES. Yes, sir; it has been quite accurately estimated in House Document No. 481. It was made nearly two years ago, or about a year and three-quarters ago, and it is interesting to note that the actual experience since the making out of that estimate has been almost exactly as estimated. At the time that estimate was made the Treasury Department asked for an appropriation of \$85,000,000 for the construction of hospitals, saying the money was immediately needed in order to supply proper hospitals so as to take the patients out of unsatisfactory hospitals that are furnished by communities such as are referred to by the Senator from Massachusetts for the people of Massachusetts for instance, and put them into satisfactory hospitals that have been constructed especially for World War patients. Until the recent appropriation of \$18,000,000 no money had been appropriated for the construction of hospitals for World War patients.

Mr. LEA. None at all?

Mr. CHOLMELEY-JONES. None at all. So that we have been obliged to use Government facilities to the utmost. For instance, Congress made available the surplus beds of the Army and the Navy; they have had to adjust their whole plan to meet the need of men no longer in the service. The old soldier's homes have had to adjust their plans to meet this situation. They have had to move men out of homes and make homes available for these men, homes complete. That helped a good deal, but by no means did it give the relief urgently needed. So that the department has been obliged to use the facilities the Senator from Massachusetts [Mr. Walsh] referred to.

Mr. PARKER. Has Camp Devens been used?

Mr. CHOLMELEY-JONES. Yes; by the Army.

Mr. PARKER. How much of a hospital did they have there? I wondered if the hospital that was used there during the war could be used. They must have had a very large hospital there.

Mr. CHOLMELEY-JONES. I do not know.

Mr. HALLETT. They had a large hospital but I know that it was of temporary construction. I do not know how they have kept it up.

Mr. PARKER. I have wondered if it could be used quickly.

Mr. CHOLMELEY-JONES. Some of these cantonments that have been used are very unsatisfactory. Some people have mentioned that we might use Camp Humphreys, but if you could just go there and look it over you would say at once you could not bear the idea of putting any sick men down there. It is not the right thing to do. The most of these places are so run down, the roofs blown off, and so on, that you would have to move beds in order that the patients would not get wet.

There was a great cry about using Fox Hills Hospital, on Staten Island, N. Y. Why, it makes you almost sick to go there and look at it, I mean the environment. The doctors are good and the nurses are good and the medicine is standard, but the situation there is awful. It is discouraging to anyone to look at it. It is barren, bare, bleak, and some of the buildings are falling down, a great many of them being closed, and there is a lot of mud there, and it is isolated, and it kills the spirit of the patient.

Mr. SWEET. You are speaking generally of all the temporary facilities that might be utilized that were used during the period of the war. They were temporary in any event and had no fire protection to speak of, had they?

Mr. CHOLMELEY-JONES. They have some fire protection, but it is really just by the grace of God that they have not all burnt down. The bells could ring until after the fire was out.

Surg. Gen. CUMMING. One of the wards at the Walter Reed Hospital burnt down with patients in it. It went up like paper.

Mr. CHOLMELEY-JONES. I wish it were possible to include in the record photographs of the cantonments that are now being used as hospitals, with exterior and interior views. I believe it would be a good thing in the way of enlightening all as to the conditions existing.

Mr. SWEET. Your investigations do not encourage you to follow up that line for furnishing proper care and treatment to disabled soldiers?

Mr. CHOLMELEY-JONES. No. But I think we should use them because we are obliged to use in the emergency many such facilities. And that is because they may be better, for instance, than some of the facilities referred to by the Senator from Massachusetts [Mr. Walsh].

Mr. PARKER. That is what I had in mind about Camp Devon, as a temporary proposition.

Mr. CHOLMELEY-JONES. It takes considerable time to do that and it is awfully costly. If it is going to cost all this money, and if it is only a temporary expedient, then the question is what would we regard as temporary? Three months, six months, or a year. If it is for a year then people are likely to relax and say: "We have spent \$500,000 on this temporary hospital. Now that has been taken care of; let us go to another territory."

Mr. PARKER. When I mentioned "temporary" I had in mind that to build a hospital under present conditions would mean a year or a year and a half, with building as it is now.

Mr. CHOLMELEY-JONES. Yes.

Mr. SWEET. Really, Senator Walsh's statement are an indictment of conditions that exist in the State of Massachusetts for taking care of the disabled service boys.

Mr. CHOLMELEY-JONES. Not only disabled service boys but for the care of the civilian population of that community, because we take those facilities.

Mr. SWEET. Probably he might come back with this statement and say that the obligation is imposed upon the Government, or that the Government has assumed that obligation, and if it is wrong in Massachusetts they ought to be taken to other States were there are better facilities.

Mr. CHOLMELEY-JONES. The folks in Massachusetts have made strenuous objections to the hospitalization of the veterans of the World War from Massachusetts outside of the State of Massachusetts. Some time ago we moved some patients from Massachusetts to a Government hospital, or to Government hospital facilities, elsewhere, and there was great objection voiced by the members of the community and by ex-service men's organizations and by Members of Congress. We explained that we were trying to give those men better facilities. I went up there and spent a day with the State commander of the Legion and with other leaders, and we examined properties in the city of Boston, and down at Worcester, and those on the two islands that are used for the care of the State patients. I would say to them, "Now, do you think we could use these facilities"? And they would reply, "No, I can not say that we should." We had with this group two or three of Boston's most distinguished physicians. I said to them, "Should we use this hospital, or this building"? The answer would be, "No; I do not think we should."

There was not a single building, as I recall, that we visited that they could agree we should use for the veterans of the World War. At that time they were warning us to move out of the hospital at West Roxbury, where we had some mental cases. I said, "Where are we going to put these men from West Roxbury?" It was because of that situation that we visited other hospitals. I was there two days, and after we visited all these places that had been suggested, they themselves, along with these doctors, said, "No; these are not fit places and we can not recommend that you use them." Therefore, since that time we have had to take some of the men and use hospital facilities outside of that district, for the good of the patients.

Now, on the point that you speak of, that somebody might believe, because there is a Federal obligation for the medical care and treatment of these patients, veterans of the World War, that the State or the community has no responsibility.

I do not believe that to be the case. I do not believe that any State, or any community, would be willing to take the attitude that it has no responsibility in the matter. This is a human equation. Just because these men fought in the World War does not make them any less residents of those communities. And I believe it is the moral obligation of the State to see to it that they exercise every energy and initiative to find the facilities, and to make them available, even though they have to go to one of the largest churches or schoolhouses and say, "Here, take out these pews; take out these desks, and for the time being make these buildings into hospitals for the care of these comparatively few men who have suffered dis-

ability and disease during the World War." The Government, to be sure, will pay all of those expenses. But the Government, just because it is a Government, can not wave a wand and have a building come up overnight.

Therefore, the Government of the United States must cooperate with the States; and, too, the State governments must cooperate with the Federal Government and exercise the initiative necessary to find the facilities within the respective States and make them available. They were made available during the war; they were made available during the "flu" epidemic; they ought to be made available now.

What surprises me is the fact that after two years from the signing of the armistice a discovery such as the Senator from Massachusetts has just made is only now being made. We have known of this, Mr. Chairman, and we are trying diligently, the Federal Government and its representatives, to remedy it.

There was a situation in Texas the other day where we could not get any hospital facilities—any beds. And I said, "I can not believe it." And I got in touch with a gentleman in Washington who is from Dallas, Tex., Mr. H. H. Adams, and he telegraphed to them, saying, "Telephone me tomorrow morning at 10 o'clock." And they did telephone to him the next morning, and he said to them, "I want Dallas and other parts of Texas to immediately supply beds for these disabled veterans of the World War." The next morning he was authorized to say that "so many beds are made available immediately to-day; so many next week; and so many at the end of the month." And within a week we had presented to us from the representatives throughout the State of Texas a schedule of what they would do immediately to make available good hospital beds for the care of those patients during this emergency.

And I think that is somewhat analogous to the experience we have had with the State of New York, which, at the request of the then director of the bureau, provided \$3,000,000 to build a hospital immediately for the care of 1,000 mental cases.

Now, I believe that is not only what we may expect from the States, but I believe it is their moral obligation. And I believe every State which is conscious of this condition would enthusiastically follow such a program.

Mr. SWEET. I may say that Congress has put at your disposal sufficient funds to carry out the very proposition that you are presenting to us, in regard to hospitalization and cooperation with the State authorities, in order that the boys may receive proper hospital treatment and care.

Mr. CHOLMELEY-JONES. Exactly. I am reminded, in the case of this State hospital of New York, without any attempt to infer criticism, that when it was deemed necessary to have the approval of the Congress of the United States to enter into an agreement with the State of New York for the leasing of this hospital when completed, the House of Representatives of the United States Congress approved it, and it was rejected formally by the Senate of the United States.

Mr. LEA. Well, in a word, why is it that the Government has not provided these facilities, with the persons in authority knowing that

there would be the need of them? I do not like to ask any embarrassing question; but should like to have you answer that if you will.

Mr. CHOLMELEY-JONES. They should have been furnished a long time ago. A year and a half to two years ago a formal document was presented with an estimate of \$85,000,000 for construction. It was believed that \$85,000,000 was too great a sum; so no money was appropriated.

Mr. LEA. Is that Document 481 that you are referring to?

Mr. CHOLMELEY-JONES. That is the one.

Mr. LEA. In other words, the original cause was the lack of funds?

Mr. CHOLMELEY-JONES. That is the cause; lack of funds for the construction of hospitals.

Mr. LEA. Then what time did this \$18,000,000 appropriation go into effect?

Mr. CHOLMELEY-JONES. The 4th of March, I believe. We know definitely that men are in hospitals that are furnished by the communities for the patients of those communities that are not fit places for sick people to be treated. Our patients are there; but if we take them from those places there is no other place to put them until we get new and additional facilities.

Mr. LEA. On the question of complaints that have been made on behalf of ex-service men and by ex-service men, what are the principal grounds? Is it on account of the delay they meet in getting action on their cases?

Mr. CHOLMELEY-JONES. Some of it is that.

Mr. LEA. And are not a part of the complaints due to dissatisfaction with the disposal of their cases by the Army?

Mr. CHOLMELEY-JONES. That, too. They have three main complaints: One is the length of time it takes in some cases to adjudicate a claim and make the payments; the second is that they do not always agree with the decision of the bureau as to the amount of compensation; the third is the hospitalization.

Mr. LEA. This bill ought to accomplish something in reference to the first and third complaints that you name, ought it not? You ought to get a more prompt disposal of the veterans' applications; it would have that tendency, would it not?

Mr. CHOLMELEY-JONES. Oh, yes; this bill is an excellent thing.

Mr. LEA. But no administrative provisions will ever eliminate the second complaint?

Mr. CHOLMELEY-JONES. No; it is simply a difference of opinion, and a man who disagrees with the amount of compensation allowed him is privileged to have his case reviewed and reviewed and reviewed, and always by other persons than those who handled the case in the first instance, and he can have one reexamination after another, and his own physician can be present. Everything is done to convince the individual that everything is being done to his best interest.

Mr. LEA. To what extent have you relied on local physicians in ascertaining the condition of an ex-service man?

Mr. CHOLMELEY-JONES. We have relied practically entirely on the local physicians. We have our own physicians, through the United States Public Health Service, and then we have what we call these "fee examiners." A man will be in a small town, or a rural community, far from a city where we have Government doctors, and we will appoint a doctor, or two doctors, on a fee basis, and then we will

send the patient to that doctor. It may be his own doctor; it may not be. We try to pick the leading physicians and specialists in the community, and then the patient goes to that doctor, and the doctor makes the examination, and then he sends the report of it to the bureau, and it is on the basis of his examination by these local doctors that we make the rating.

Mr. LEA. Do you believe that that is reasonably satisfactory?

Mr. CHOLMELEY-JONES. I believe that it can be considerably improved; we are doing that now.

Mr. LEA. This reliance on the local physicians, has that proven reasonably satisfactory?

Mr. CHOLMELEY-JONES. Not entirely; no. What we are doing now is to build up a group of consultants in certain communities, and then have the men come from the rural districts into that town where there is the group to have a group diagnosis made, so that instead of a man just coming in to have his heart examined—he may say, "I think my heart is troubling me"—that man would come into this group and he will be examined from head to toe and a complete diagnosis will be made, and then a more satisfactory prognosis can be made. That is by all odds better for the soldier, and that is being extended very rapidly.

And in that connection, by the consolidation of the field activities of these district supervisors—officers heretofore of the Public Health Service—with the Bureau of War Risk Insurance and the establishment of such branch offices as may be essential, we are working rapidly to decentralize the ratings, so that these groups that examine the men can also rate the men.

I think that under the present consolidation, especially by reason of the fact that Director Lamkin, of the Federal Board for Vocational Education, has the approval of the Federal board to coordinate and consolidate with the Bureau of War Risk Insurance so far as it is practicable under the law, the next three months will show a very conspicuous change for the good in the expediting of the claims and in the whole hospitalization program.

The new director and I were talking the day before yesterday about the committee that he proposes to form, including the Surgeon General of the Public Health Service, the Surgeon General of the Army and of the Navy, the president of the Board of Managers of the National Home for Disabled Volunteer Soldiers, and his own chief medical adviser, for the purpose of having weekly conferences, so that they can all get around the table and say how they can help each other as Government officials in perfecting and expediting the whole hospitalization program.

For instance, we have a case up in Massachusetts, the Chelsea Hospital, run by the Navy. They have a unit there of about 300 or 400 beds, and we are considering whether or not the Navy will run it, or whether the Public Health Service will run it. If the Navy runs it, we can only send general medical and surgical cases there. What we need up there in Boston is a hospital where we can send all cases for the purpose of diagnosis. Now, we might find among those cases that we have tuberculosis cases, and the Navy can not allow us to send tuberculosis cases into the Navy hospital. There may be mental cases, and they can not afford to do that.

So that we are asking the Navy to separate this part of their hospital and lend it to the Public Health Service hospital, which is only 100 to 150 feet away—the marine hospital there. We can build a bridge from the Chelsea Hospital across to the Public Health Service hospital and make it part of that hospital. Then, we can send all cases there for the purpose of diagnosis.

We have been some time negotiating that; and I believe that with such a committee as is now proposed by Director Forbes of the bureau, those things will be settled just like that, across the table. And I understand that that particular point which I bring up now has been decided satisfactorily.

Mr. PARKER. How many hospitalization cases have you now?

Mr. CHOLMELEY-JONES. We have nearly 26,000 in hospitals to-day.

Mr. PARKER. Ex-service men?

Mr. CHOLMELEY-JONES. Ex-service men. The number is increasing about 1,000 a month. Those are divided into the general medical and surgical cases, the tuberculosis cases, and the neuropsychiatric cases. The great problem is in connection with the neuropsychiatric cases and the tuberculosis cases. That is our future problem. It is much easier to take care of a general medical or surgical case, because it takes a day or two, or a week or so, for the general medical and surgical cases; so that you can take care of those in a general hospital.

Mr. LEA. Is that increase of about 1,000 a month a net increase in the number of cases?

Mr. CHOLMELEY-JONES. Yes, sir.

Mr. LEA. About how fast is the turnover among the patients?

Mr. CHOLMELEY-JONES. Sometimes the turnover is very rapid. For example, in the Parker-Hill Hospital, in Boston, which is used by the Public Health Service, I should say that the turnover is very rapid, because the patients come in there to have their tonsils and adenoids removed, and slight things of that sort, and for observation purposes, etc. Then there are appendicitis cases which take from 10 days to 2 weeks.

Dr. Haven Emerson, the eminent adviser of the bureau, just reminds me that 200,000 patients have gone through our hospitals and are now out, in addition to approximately 26,000 that are now in the hospitals.

Mr. LEA. That is since the armistice?

Mr. CHOLMELEY-JONES. That is since the armistice.

Mr. SWEET. For how many years do you believe that this demand for hospitalization will continue to increase?

Mr. CHOLMELEY-JONES. The peak of the load will be different with the three separate divisions of cases, general, medical, and surgical, tuberculosis, and neuropsychiatric. I think the peak of the load will come sooner in the tuberculosis than in the mental cases, and the general medical and surgical will come first.

That is, under our present law. If the present law is amended and made more generous, the picture will change entirely. Now, the bureau is not authorized to give medical care and treatment to those who have been disabled by reason of their active service during the World War, unless their disability equals 10 per cent under the ratings. So that if a man is 9 per cent or 7 or 8 per cent disabled, even though his disability is due to his service, we can not give him any medical care and treatment.

Mr. SWEET. There is a section of this bill that will take care of that, is there not?

Mr. CHOLMELEY-JONES. There is a section of this bill that will take care of that, and there is a section of the Wasson bill, which was passed by the House of Representatives, which would.

Mr. PARKER. That would immediately increase the number?

Mr. CHOLMELEY-JONES. That would immediately increase the whole number. Now, some States—one State in particular, I think it was Michigan—started a program for the examination of all of the ex-service men from that State for the purpose of finding out the present condition of those men, so as to prevent the development of any disease which they may now have. You see under our present program the men let it go just as long as they can, and then when they feel so uncomfortable and so sick and feel that there is nothing else left for them to do, then they go into the hospital.

But it means that their cases become aggravated, whether it is tuberculosis or whether it is a mental case, if they stay out just as long as they can; and of course that is very hard from the point of view of curing them. If this provision of the present H. R. 3, the new Sweet bill, is included and made a law, it would be very wise, in the interest of these men and in the interest of public health, to see that they are treated without delay. It would, of course, mean a larger expenditure, but it would mean economy in the end, because you would get a community of healthy people rather than a community of sick people.

Mr. SWEET. In view of the fact that Congress passed the Langley bill, which really appropriates, as I recollect it, something like \$18,600,000 for hospitalization, and that there are also some provisions in other bills whereby repairs and alterations may be made in the National Homes for Disabled Volunteer Soldiers, do you believe that will relieve the situation in regard to hospitalization?

Mr. CHOLMELEY-JONES. Do you mean whether or not in my opinion that would be sufficient?

Mr. SWEET. I mean whether or not that will give immediate relief?

Mr. CHOLMELEY-JONES. It will give not immediate relief, Mr. Chairman, because, of course, these improvements and this new construction will have to be completed before that relief will be felt. That is one of the unfortunate features of all of this, that we plan now for construction, and that means that we can not get any relief for a year or a year and a half or two years, and in the meantime this thing is going to continue.

For instance, we recommended an appropriation of \$35,000,000, looking at the immediate needs and the future needs. That would not mean that we would get new facilities any quicker, but it would mean that we would get more facilities quicker; so that we would not in two years from now or one year from now have the same situation as we have to-day, and at that time have to appropriate additional money and wait another year or two to construct the buildings.

Mr. SWEET. My thought was this: That some measures have passed Congress whereby repairs and alterations may be made to existing hospitals and the National Homes for Disabled Volunteer Soldiers, etc., and that will give immediate relief?

Mr. CHOLMELEY-JONES. Yes.

Mr. SWEET. Now, then, you could follow that program up with a building program?

Mr. CHOLMELEY-JONES. Yes.

Mr. SWEET. The building program would come in in time to take care of the needs of hospitalization as they arise?

Mr. CHOLMELEY-JONES. The Treasury Department, I understand, are recommending that certain amendments be made in that so-called Langley bill, the one that appropriates \$18,000,000; and they have consulted Members of Congress, including the chairman of the Appropriations Committee, regarding it; and they are very sympathetic; and I believe that the amendments will be made in the bill, which will give the Secretary of the Treasury more power in expending that money where it is most needed in the utilization of the now existing facilities of the Government. In other words, they could use more of it for the expansion of the Public Health Service facilities, and those of the National Home for Disabled Volunteer Soldiers, the Army, the Navy, etc., so that it can be done quicker; and I hope it can be done and believe it will be done; it is to the interest of all concerned.

Mr. Chairman, I should like to have made a part of the record this memorandum which I have prepared, dated April 26, 1921, relative to this bill.

Mr. SWEET. Yes; that may be inserted in the record.

(The memorandum referred to is as follows:)

MEMORANDUM.

APRIL 26, 1921.

Should the recommendations of the Dawes committee be incorporated into this legislation, then there should be an entire change in the nomenclature used throughout H. R. 3, and where "veterans' bureau" is used it should be changed to "veterans' service administration," and where "director" is used that should be changed to "director general," and the director general should be responsible only to the President of the United States.

Section 3, as concerns the functions, powers, and duties conferred by existing law upon the Bureau of War Risk Insurance is acceptable. Lines 7-17, inclusive, of section 3 should be amended by eliminating the first sentence referring to the Public Health Service, in view of the fact that the field services formerly performed by the United States Public Health Service have already been transferred under existing law to the Bureau of War Risk Insurance, and it was the unanimous opinion of the Dawes committee that the balance of the United States Public Health Service should not be transferred.

Lines 18-25 of section 3, referring to the transfer of the functions, powers, and duties conferred upon the Federal Board for Vocational Education, is acceptable.

Section 4 is acceptable with the changes pointed out as concerns the United States Public Health Service in section 3.

Section 5 is acceptable, and, of course, should be enacted if any plan of consolidation is agreed upon.

Section 6 is acceptable other than on page 6, line 4, and line 5, where "pension awards" is used; it should be changed to read "compensation awards."

Section 7 is acceptable.

Section 8 is acceptable with the exception as it refers to taking over certain functions, powers, and duties of the United States Public Health Service, which should be changed in accordance with the Dawes committee report, if same be finally agreed upon, which provides that the United States Public Health Service shall continue to operate hospitals.

Section 9 should be amended, in my opinion, if the form of organization proposed by the Dawes committee is acted upon favorably, to read as follows:

"That the director general, subject to the general directions of the President, shall be responsible for the proper examination, medical care, treatment, hospital-

ization, dispensary, and convalescent care, nursing, vocational training, and such other services as may be necessary in the carrying out of the provisions of this act, and for that purpose is hereby authorized to utilize the now existing or future facilities of the United States Public Health Service, the War Department, the Navy Department, the Interior Department, the National Home for Disabled Volunteer Soldiers, and such other governmental facilities as may be made available for the purposes set forth in this act; and such governmental agencies are hereby authorized and directed to furnish such facilities, including personnel, equipment, medical, surgical and hospital services and supplies as the director general may deem necessary and advisable in the carrying out of the provisions of this act, in addition to such governmental facilities as are hereby made available. The director general is further authorized to use such State, county, municipal, or private hospital, dispensary, nursing, and other facilities as may be deemed reasonable and necessary.

In order to standardize the character of examination, medical care, treatment, hospitalization, dispensary and convalescent care, nursing, vocational training, and such other services as may be necessary for beneficiaries under this act, the director general shall maintain an inspection service, with authority to examine all facilities and services utilized in the carrying out of the purpose of this act, and for this purpose may utilize such other Government or private agencies as may be deemed practicable and necessary.

When, in the opinion of the director general, the facilities and services utilized for the hospitalization, medical care and treatment, etc., for beneficiaries under this act are unsatisfactory, the director general shall make arrangements for the further hospitalization, care and treatment of these beneficiaries by other means.

In the event that there is not sufficient Government hospital and other facilities for the proper medical care and treatment of beneficiaries under this act, and it is deemed necessary and advisable to secure additional Government facilities, the director general shall make such recommendation to the President as in his opinion is deemed necessary and advisable for the further improvement or extension of existing governmental facilities, or for the acquiring, including construction, of additional facilities; such new property and structures as may be recommended shall become part of the permanent equipment of some one of the now existing agencies of the Government, including the War Department, Navy Department, Interior Department, Treasury Department, the National Homes for Disabled Volunteer Soldiers, in such a way as would best serve the present emergency, taking into consideration the future services to be rendered the veterans of the World War, including the beneficiaries under this act.

Section 10 is acceptable.

Section 11, in its entirety, I believe to be acceptable.

Section 12 is acceptable.

Section 13 is acceptable.

Section 14 is acceptable. It has been found quite necessary in establishing rules and regulations relative to discipline to be maintained in the various hospitals operated for the benefit of disabled ex-service men and women.

Section 15. The necessity is not seen for the provisions from line 24-25 on page 11 of H. R. 3, and from lines 1-10 on page 12, as this is merely a restatement of an old statute that is not believed pertinent to the legislation proposed. Lines 11-21, inclusive however, are necessary. It has been found in view of the expense to the Government of endeavoring to make further collections of overpayments of the kinds outlined in lines 11-21, and in view of the hardship our present procedure generally entails to persons receiving the overpayments, many of whom are unable to make restitution and most of whom accepted the payments in good faith, it is recommended that the proposal in lines 11-21 be accepted, which will eliminate the necessity of any further recoveries except where a person does not bear the relationship to the enlisted man required by the war-risk insurance act, or where a person has received an allowance through fraud.

Section 16 should be adopted for the reason that there are now no existing provisions of law which permit patients of the Bureau of War Risk Insurance who are inmates of a hospital, and who in most instances are receiving a monthly sum of compensation greater in amount than their former pay as enlisted men, to allot their compensation, or if they do not desire to use the money while they are being cared for in the Government Hospital, to leave the compensation to their credit with the United States at interest. It seems to me highly desirable in cases of compensation to authorize a procedure similar to that previously authorized in the case of pay. Aside from the great convenience it affords to war-risk beneficiaries, in many cases it is found to be desirable from the standpoint of the Government, because in practice, the monthly payment of the full compensation in cash to the inmates of a large hospital frequently

results in an extravagant and immediate disposition of the money by the patients in ways which seem to give them small practical benefit and which result in weakening the morale and general discipline of the hospital. If the inmates are permitted and encouraged either to allot their compensation or to leave it at interest, this situation would perhaps not arise.

Section 17 is desirable for administrative purposes, for in many instances it is found where small amounts have not been paid prior to the death of the person entitled to receive the same that the amount due is almost liquidated by the sums necessary to cause the appointment of an administrator or executor to receive payments in a strictly legal manner, as is now necessary.

Section 18 is desirable, and I also desire to call to your attention that the Secretary of War has brought to my attention the desirability of securing an amendment to the first proviso of the war-risk insurance act as amended by the act of June 25, 1918, and by the act of December 24, 1919, which reads as follows:

"Provided, That for the purposes of this section said officer, enlisted man, or other member shall be held and taken to have been in sound condition when examined, accepted and enrolled for service."

The effect of this amendment is to create a conclusive presumption of soundness when men are accepted for service. It frequently happens that diseases or defects which are actually existent at the time of acceptance can not be detected by means of such medical examination as is possible at the time but when later discovered can be clearly shown to have existed prior to acceptance.

It may be that during the emergency when men were drafted into the service such an attitude on the part of the Government toward them as is manifested in this proviso was justified, but it has been the cause of the payment of millions of dollars by the Government and the policy thus enunciated, it seems, should not be continued now that voluntary enlistments have been resumed, else the tendency will be to encourage the enlistment of men with latent diseases or defects, thus shifting the burden of their care to the Federal Government where it does not properly belong. While it is believed that the conclusive presumption of soundness should not continue to exist, it is believed that the Government should pay compensation for any aggravation of an injury or disease suffered or contracted as a result of military service or naval service. I concur in this view of the situation expressed by the Secretary of War and recommend that the situation be cured in the future so that only persons discharged prior to the passage of the amendatory act will be entitled to the conclusive presumption of soundness and that all persons now in the military or naval service and hereafter discharged and all persons hereafter entering the military or naval service, shall be compensable only for such diseases and injuries or aggravations of diseases or injuries as are actually suffered while in the military or naval service, excepting that persons who entered the service on or before the armistice and who have not yet been discharged shall come under the present law.

Section 305 of the war-risk insurance act of October 6, 1917, permits the bureau, acting upon its own motion or upon application, to revise the award previously made in accordance with the facts found and to increase or diminish such award. The section is not sufficiently clear as to whether an increase of an award made upon revision may be made to correspond with the date of the increased physical disability of the soldier in accordance with the true state of facts or whether the increased award can be effective only from the date on which the new revised award is made.

It is highly desirable that it be made clear, because it would be inequitable to the ex-service men if the bureau were estopped in making its reratings from giving a rating corresponding both in degree of disability and in date of the inception of the disability of the increased disability, in accordance with the true facts of the individual case. This is especially true, because in the past it has been necessary in handling thousands upon thousands of cases to make a preliminary award, despite the fact that complete data was not in hand, when the data available clearly indicated that the claimant had suffered some disability. Furthermore, in many ailments, such as tuberculosis and mental and nervous diseases, it is frequently impossible to fix with precision the exact degree of disability until experience and treatment have revealed the patient's true condition. Finally, experience has taught that many ratings made pursuant to the incomplete examinations of physicians throughout the country have been found in practice to be inaccurate and consequently unfair to the claimant, who is properly entitled under the war-risk insurance act to compensation for the true degree of disability without being penalized for errors in diagnosis, inadequacy of medical evidence submitted, and administrative delays or errors arising in part from the great number of cases receiving consideration. Hence I believe that section 19 should be approved.

SEC. 20. Owing to the failure of ex-service men, through ignorance of their rights or otherwise, to take prompt action in securing the certificates of disability provided for in section 306 of the war-risk insurance act, as amended, I recommend that the period of limitation of one year, provided therein, be extended. When the original section was before the Senate committee for consideration and enactment, the view was expressed that the time given by the original section was wholly too short.

For the reasons above stated I would suggest that section 20 be amended to read as follows:

"That no compensation shall be payable for death or disability which does not occur prior to or within one year after discharge or resignation from the service, except that where, after a medical examination made pursuant to regulations, a certificate has been obtained from the Director General at the time of discharge or resignation from the service or within one year thereafter, or within one year after the passage of this amendatory act, whichever is the later, to the effect that the injured person at the time of his discharge or resignation was suffering from injury likely to result in death or disability, compensation shall be payable for death or disability, whenever occurring, proximately resulting from such injury."

Section 21 should be adopted, I believe, for legislation should be passed to relieve from the payment of premiums on yearly renewable term insurance and United States Government Life Insurance (converted insurance), those persons who are receiving hospital care while inmates, and to such persons who are receiving vocational training under section 2 of the vocational rehabilitation act, and those persons who are temporarily totally disabled as determined by the ratings under regulations. I also believe that this section should apply to both yearly renewable term insurance and converted insurance as well, and I, therefore, believe it advisable to change lines 11-15 to read as follows: "The Veterans' Service Administration is authorized to make provision in accordance with regulations, whereby the premiums on yearly renewable term insurance and United States Government Life Insurance (converted insurance) may be waived * * *." Lines 8-22, inclusive, of the section is acceptable. It is believed, however, that there should be a slight change in these lines to read as follows:

"That in addition to the care, treatment, and appliances now authorized by law, said bureau shall also provide, without charge therefor, hospital, dental, medical, and surgical care and treatment and prosthetic appliances for any honorably discharged commissioned officer or enlisted man disabled by reason of any wound or injury received or disease contracted or by reason of any aggravation of a preexisting injury or disease while in the service of the United States and in the line of duty, and not caused by his own willful misconduct: *Provided*, That application for such care and treatment and appliances provided for in this paragraph shall be made within one year from the date of the man's discharge or from the date this act goes into effect, whichever is the later."

I am also very firmly of the opinion that those persons who have been declared mentally incompetent by a court of competent jurisdiction or who have been declared by the Bureau of War Risk Insurance to be mentally incompetent should also be relieved from the payment of insurance premiums and that the waiver of the payment of the necessary premiums on their insurance should be made retroactive in order that their insurance should not lapse at any time during which they are mentally incompetent to manage their own affairs.

Section 22 in its entirety I believe is unnecessary. The first part of the section merely states the provisions of an existing statute, which I believe is unnecessary to repeat, and the latter portion of section 22 will be of very little administrative assistance to the bureau, and I believe under the present statutes the bureau is able to operate efficiently.

Section 23, lines 18-20, inclusive, I believe should be changed to read: "That as to converted insurance the cash surrender value thereof, if any, on the date of such discharge or dismissal shall be paid to the insured, if living, and if dead to the designated beneficiary."

Section 24 is acceptable.

Section 25. This section is, in my opinion, very important, for the reason that persons holding term insurance are allowed to convert this insurance at any time without medical examination. When so converted, however, pursuant to section 18 of the amendatory act of December 24, 1919, all claims arising under the policy of converted insurance are paid out of the United States Government life insurance fund. This fund is constituted wholly from the premiums paid by the insured on their converted insurance. It follows that if a soldier disabled because of the hazards of war converts his term insurance and thereafter quickly dies as the direct result of the hazards of war, payment is not borne by the United States Government as originally provided,

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but is instead shifted to the United States Government life insurance fund. The burden of the excess mortality is borne by the premiums collected from those persons whose health has not been impaired and is not borne by the Government. This of course, constitutes a very serious drain upon the fund. It seems to me that Congress should provide for the payment out of the military and naval appropriation for those deaths due to the extra hazards of war.

Section 26. Lines 13-25, inclusive, page 23, and lines 1-5, inclusive, page 24 is not advisable, for the reason that I believe all insurance should be placed upon the same basis, and the period during which conversion must be made should apply to all insureds in the same fashion. Lines 6-17, inclusive, on page 24, of section 26 is acceptable.

Section 27 seems unnecessary.

Section 28, of course, is necessary in legislation of this nature and is acceptable.

There is other additional legislation which I believe should be provided and made part of H. R. 3.

Section 402 of the war-risk insurance act, as amended, provides that payment may be made only to certain designated persons in the permitted class. In practice it has frequently occurred that an insured in his lifetime has designated a person who was then in the permitted class, such, for example, as a stepmother. Subsequent events occurring before the death of the insured, as the death of the insured's father without issue, for example, technically changed the status of the stepmother, so that at the time of the death of the insured she is not under the law, as interpreted by the Attorney General in an opinion of June 21, 1920, still legally his stepmother. It therefore becomes impossible to make an award to her at the insured's death. To remedy this situation, which results in a defeat of the clearly expressed intent of the insured as to the person to receive his insurance, it is recommended that a new section be added to Article IV of the War Risk Insurance Act, as follows:

"SEC. 402 (a). Where a beneficiary at the time of designation by the insured is within the permitted class of beneficiaries and is the designated beneficiary at time of the maturity of the insurance because of the death of the insured, such beneficiary shall be deemed to be within the permitted class even though the status of such a beneficiary shall have been changed."

After consideration of the question of allowing renewable term insurance to be paid in 36 or more monthly installments, or at the option of the beneficiary if no mode of settlement has been selected by the insured, in the same manner as converted Government life insurance, I am of the opinion, and so recommend, that the act should be amended to allow such optional settlements of renewable term insurance on policies hereafter maturing. A large proportion of ex-service men are unable to pay the higher converted insurance premium during the period of adjustment following discharge from the service, and it is felt that these men ought not to be discriminated against in the matter of optional settlements. Manifestly, it would be an impossible drain upon the Government's resources to provide optional settlements for policies maturing during the period of the war. Such is not the case in time of peace, since the premiums are adequate to cover the normal death rate. I believe the following amendment should be made:

"SEC. _____. Subject to regulations, the insured under a contract of yearly renewable term insurance which is in force on and after the date of the passage of this act, and which has not matured because of total and permanent disability, may select an optional settlement whereby such insurance may be payable at death in installments for 36 months or more. Subject to regulations, a beneficiary of a contract of yearly renewable term insurance which matures after the date of the passage of this act because of the death of the insured, may elect to receive the payment of the insurance in installments for 36 months or more, but only if the insured has not exercised the right of election as hereinbefore provided; and even though the insured may have exercised his right of election, a beneficiary may elect to receive such insurance in installments spread over a greater period of time than that selected by the insured."

I should like also to call to your attention a matter which was discussed before the Dawes committee, namely, the proposition of permitting persons suffering from injury or disease resulting from the World War, who are not permanently and totally disabled, to reinstate their lapsed or canceled term insurance or Government life insurance (converted insurance), providing they conform to all the reinstatement requirements excepting that of condition of health.

It may be advisable to make this a matter for legislation rather than for departmental regulation. If legislation is passed accomplishing the same, I believe it would be equitable and fair, when it is remembered that as a matter of fact in most of the instances the reason the disabled soldier failed to keep up his insurance was that he was short of funds and it took the Government some time to investigate and grant his

compensation, and that because of this financial stringency he allowed his insurance to lapse.

I am of the opinion that as a condition to reinstatement the applicant should be required to pay all back monthly premiums which would have become payable if such insurance had not lapsed. I believe this to be an equitable provision, in that premiums will be paid for a continuous protection and will tend to place all insured risks upon the same footing.

The above might be accomplished by the following provision:

"In the event that all provisions of existing rules and regulations other than the requirements as to the physical condition of the applicant for insurance have been complied with, an applicant for reinstatement of lapsed or canceled yearly renewable term insurance, or application for United States Government life insurance (converted insurance) hereafter made may be approved, providing the applicant's disability is the result of an injury or disease or of an aggravation thereof suffered or contracted in the active military or naval service during the World War, and provided further, that the applicant during his lifetime submits proof satisfactory to the Director General showing the service origin of the disability or aggravation thereof and that the applicant is not totally and permanently disabled. As a condition, however, to the acceptance of an application for the reinstatement of lapsed or canceled yearly renewable term insurance or Government life insurance (converted insurance), the applicant shall be required to pay all the back monthly premiums which would have become payable if such insurance had not lapsed."

I believe I should also direct your attention to the fact that H. R. 3 by its provisions relates almost entirely to the legislation needed by the Bureau of War Risk Insurance, and I offer the suggestion that it might also be well to obtain the views of the director of the Federal Board for Vocational Education to see if additional legislation is needed by that agency of the Government as was true in the instance of the Bureau of War Risk Insurance.

R. G. CHOLMELEY-JONES,
Director.

Mr. CHOLMELEY-JONES. There are one or two other things that I would like to advise with the committee about.

One of them is the permitting of soldiers who have allowed their insurance to lapse, and who have tried to reinstate and have not been able to do so by reason of their physical condition which was traceable to the war. I believe that some provision should be made, and I think it would be advisable to have it by law, that any man who, having lapsed his insurance, complies with the rules and regulations as prescribed by the Bureau of War Risk Insurance approved by the Secretary of the Treasury, may reinstate, even though he is not in good physical condition, provided his condition is traceable to his service.

There are many cases that are very sad. A man has been in the hospital since the date of his discharge. When he was discharged he was getting only \$30 a month. He got no allotment for his family; he sent all of his \$30 home; he did not keep up his insurance. Later on he got broader compensation, and under the so-called Sweet bill he got it retroactively, but he could not pay his insurance retroactively. And when he tried to reinstate, we found that he was not in good health; as a matter of fact he was a very bad risk. And that particular man may have died since he made application for reinstatement, and he is without that insurance protection.

I feel that it was the real intent of Congress in issuing this insurance that ex-service men who suffered any injury or disease should continue to have the protection of the insurance. And while that would entail an additional cost from time to time on the part of the Government, because those men who are in hospitals and who are sick and who are allowed to reinstate, would, of course, have a heavier rate of mortality than the normal rate as calculated under the

American experience table of mortality. But the number affected would not be great; and I believe that those ex-service men should be permitted to reinstate their insurance, with this single proviso, that they shall pay the back premiums covering the period that the insurance has lapsed. Then it puts it on the same basis as the Government originally agreed to contract with them on, and that is, "You pay your premiums continuously and you will be insured, and all the additional costs due to the hazards of war will be assumed by the United States Government."

Mr. SWEET. That suggestion, I believe, is in accordance with one made by Col. Hallett yesterday?

Mr. CHOLMELEY-JONES. Yes.

Mr. SWEET. And, of course, reinstatement at the present time is a matter of regulation?

Mr. CHOLMELEY-JONES. Yes, sir.

Mr. SWEET. And you believe it will be better to have some provision put in the law whereby reinstatement shall be based on service?

Mr. CHOLMELEY-JONES. Yes, sir.

Mr. SWEET. That is, where the disability can be connected up with the service in the Army?

Mr. CHOLMELEY-JONES. Yes, sir.

Mr. SWEET. And that in case of reinstatement, all back premiums shall be paid?

Mr. CHOLMELEY-JONES. Yes, sir.

Mr. SWEET. And that it shall not be predicated upon the proposition as to whether or not he is in good physical condition at the time he asks for reinstatement?

Mr. CHOLMELEY-JONES. That is right. Now, if he had contracted injury or disease subsequent to his discharge that is, in fact, not traceable to or aggravated by the service, then it would not apply to that individual.

I would like to call attention to this provision, Mr. Chairman, that is in this bill H. R. 3, the new Sweet bill: You provide for the relieving of the disabled men who are in hospitals, or who are rated as temporarily totally disabled, from the payment of premiums.

Now, in applying the point that we have just discussed, you would have to consider how it would be applied; because if we let the man reinstate and pay the back premiums, and then relieve him from the payment of future premiums—the suggestion of doing that is so that it will put him on the same basis as the man who has been paying premiums; because unless you say to the man who has been paying premiums in the hospitals, "You are not only relieved from the future payment of premiums, but we will return the back premiums," you would have to change your new provision accordingly. And I think it would be fair to permit the man who had lapsed his insurance to pay his back premiums, and then in the future be relieved from the payment of premiums while he is in the hospital. In making any change like this it is very difficult to do it without injustice to somebody.

Mr. SWEET. Without in a sense, so to speak, punishing the man who has paid his premiums regularly?

Mr. CHOLMELEY-JONES. Exactly.

Mr. LEA. In the meantime, however, he had been disabled and had lost his earning capacity, would you be justified in imposing that condition?

Mr. CHOLMELEY-JONES. Do you mean if he was in fact totally disabled?

Mr. LEA. Yes; and had failed to pay on account of his disability, and he perhaps still has no earning capacity; and yet you would require that as a condition of his reinstatement—a thing that to him would be impossible.

Mr. CHOLMELEY-JONES. Well, if it was traceable to his service, then he could reinstate; if it was not traceable to his service, he could not reinstate.

Mr. LEA. But in any event you would require the payment of the back premiums?

Mr. CHOLMELEY-JONES. Yes. The reason, it seems to me, that that would be fair is this: At the present time we are paying the man who is temporarily totally disabled \$80 a month, and we pay him more if he has a dependent wife, father, mother, or children. And you see if he had an average of \$7 a month premium and he had gone a year, that would be \$84.

Mr. LEA. Yes; that would answer my objection.

Mr. CHOLMELEY-JONES. So that it seems to me that that would be fair and equitable. And then relieve them from the premiums from then on.

Now, we have not mentioned those who have become permanently and totally disabled—

Mr. NEWTON (interposing). Mr. Chairman, may I ask a few questions before Col. Cholmeley-Jones goes on to that?

Mr. SWEET. Yes. Mr. Newton, of Minnesota, will ask some questions.

Mr. NEWTON. These are questions that will come up here: Here is a man, for example, who has compensation coming from the Government in some form or another; it may be that he has not received his bonus, or something of that kind; and he has written in and asked to have his bonus money that is being held up through red tape, or something of the kind, applied on his insurance. That has not been done; and then something has happened to the fellow and his heirs are out of luck. Now, that suggestion would, of course, relieve that situation if they were allowed to do that.

Mr. CHOLMELEY-JONES. Well, only in a very few cases.

Mr. NEWTON. Well, there are quite a number of those. I have had two of those cases myself.

Mr. CHOLMELEY-JONES. Well, I mean suppose there are 200; they are not very numerous. And the cases you have in mind are cases where men let their insurance lapse and then die from war disabilities; and we in interpreting the law tried to go as far as we believe the law would permit us, and we tried to see whether there was any money due that man.

Mr. NEWTON. Yes.

Mr. CHOLMELEY-JONES. And so we applied the \$60 bonus to the payment of premiums. Well, now, the bonus is not due the man until he is discharged, and he not having allotted that to us, we have, under the interpretation of the Comptroller of the Treasury, no real right to that money. We did have a right to any money

that was due him during his service, because he had authorized us in his application to make deduction from his pay for premiums. But this \$60 bonus being due him only upon his discharge, after his discharge became effective, the comptroller ruled that the money was not available for us to take, because we might take that \$60 to pay premiums where the insurance would go to his mother, and in the meantime he might have married and the \$60 under the laws of the State in which he resided would go to his wife, or two-thirds of it. So that there were complications of that nature. We know of no cases where the man asked us to credit his bonus to his insurance.

Mr. NEWTON. I believe some one in your department told me of one case where the application had been made and the comptroller had turned it down. I talked with Mr. Conroy, I think, about that, and that is the opinion he gave me; it is a stronger case than I presented; that is my recollection.

Mr. CHOLMELEY-JONES. Then that is an exception to the rule.

Mr. NEWTON. There is this further thing in connection with the insurance, on the question of reinstatement: The policy of the War Risk Insurance Bureau is to require a health statement after the lapse on an application for reinstatement. Now, if that health statement is not sent in, and through inadvertence or negligence on the part of some one in the bureau, the policy is reinstated and is issued, and the premiums paid, and later the man dies, then, as I understand it, because that technicality is not complied with, the War Risk Insurance Bureau refuses to honor the policy, the result being that here is a soldier who died thinking that he had protected his wife or his mother, and they think so, and then after his death they find out that the Government absolutely refuses to honor its own contract. Now, I had such a case that I took up with Col. Hallett a few days ago. It seems to me if the Government is going to issue insurance, that after its issuance, without fraud upon the part of the applicant, those policies ought to be absolutely incontestable; otherwise what good is your insurance?

Mr. CHOLMELEY-JONES. I do not know whether or not you refer to a case like this, where a man sends in his reinstatement blank and fails to send in the certificate of health; he sends in the money. Now, we do not send back that money, because it is evident that he wants his insurance. We retain that money. We send what is known as a "suspense receipt."

Mr. NEWTON. No; you do not send him a suspense receipt; you send him a certificate or a new policy, which looks just the same as that of the man who sends in a full and complete health statement, without any difference at all. But after the man is dead, then you renege on it.

Mr. CHOLMELEY-JONES. Well, I think that is just like the selling of a Government bond. A man writes in and sends in \$900, and he says, "I want a \$1,000 bond"; and the Government takes the \$900 and puts it through its regular channels, and sends it to the next person, and through inadvertence the man gets a receipt for \$1,000; then the error is caught, and they write that man and say, "No; you only sent in \$900, and the bond is \$1,000." Now, I am wondering what the right of the Government is in the case of an error of its officials or subordinates; whether it would become the obligation, for instance,

Of the Treasury Department, or of the particular person who is handling that \$900, to pay the additional \$100. In the Bureau of War Risk Insurance, where the clerk sent out a bona fide receipt or policy where it should not have been sent out, would they be personally obligated to pay that claim because of the error, or could they charge against an appropriation which has not allowed for errors a claim that under the statute is not a legal claim? I agree with you, Mr. Newton.

Mr. NEWTON. Well, I do not agree with the analogy, because one is only for the payment of money. At the same time, I think it is pertinent to this extent, that it puts the Government in the position, where there is no fraud, of issuing its policy and later going back on it.

Mr. CHOLMELEY-JONES. Yes.

Mr. NEWTON. And no old-line insurance company desiring to retain its good will and its business would think of doing that. Now, if the Government wants to continue its insurance business and to encourage the payment of premiums, certainly it should not give itself such a bad advertisement as to send out its policy, and then when it is found out, perhaps 10 years afterwards, that that person did not send in a health certificate, say, "No; the regulations were not technically complied with; there is no policy; we will refund your premium."

Mr. HALLETT. May I say something on this particular point, Mr. Chairman?

Mr. SWEET. Yes; certainly.

Mr. HALLETT. I do not believe that the Government in the settlement of these things has been trying to hide behind technicalities; and if in the case that you put, Mr. Newton, it developed some years afterwards that the application was not complete by reason of the fact that the man did not have a health certificate under the rules and the administration of the division as it is now going on, there would not have been any cancellation of the policy. The bureau, however, is going upon a determination of what the actual health condition of the man is at the time of his reinstatement; and for that purpose he is required to make a statement as to what his health condition is. Many cases have come up where the facts as developed showed that that statement was not really in accordance with those facts. And in those cases, the reinstatement, which has been made and completed, and a policy, perhaps, sent out, after conversion, has been canceled because of the facts.

Mr. NEWTON. Because of those representations?

Mr. HALLETT. Because of the facts; not so much because of the representations, but because the fact at the time the reinstatement was given was not in accordance with the regulations.

In the case you put, had it appeared that the man's health condition, actual health condition, at the time he sent in this money was actually as good as at the time he had allowed it to lapse, there would have been no attempt to cancel that insurance. Unfortunately, however, for the situation, the man's health condition was very materially changed; and, as a matter of fact, he had applied for compensation, explaining that his condition was materially changed at the time he made the application for compensation. So, going on the facts as they were, not on any technicality, but on

the facts as they were, it was necessary that the claim for insurance should be denied.

Mr. NEWTON. Your bureau had knowledge in this particular case that that man's health was not the same, and yet you issued the policy?

Mr. HALLETT. Technically, we had, because it was within a few days—

Mr. NEWTON (interposing). Now, if the man had technically complied with your regulations and had submitted a health statement, and in that health statement he had said, "I am not in as good condition as I was when discharged"; if he had frankly set forth the facts, and then the bureau had, through inadvertence or neglect, issued a policy, under your present position you would have the right to cancel that policy when it was brought home to you that one of your own employees had made a mistake?

Mr. HALLETT. We would have that right.

Mr. NEWTON. Yes.

Mr. HALLETT. I do not know what we would do on the thing, but we would have that right.

Mr. NEWTON. Well, if you followed out your position logically you would cancel the policy.

Mr. HALLETT. If I followed it out logically.

Mr. CHOLMELEY-JONES. In the case to which you refer, did the man say he was in good health?

Mr. NEWTON. No; as far as we know, he submitted no health statement at all. He had let his insurance lapse by express order; seven or eight months thereafter he asked for a conversion of his insurance.

Mr. CHOLMELEY-JONES. Apparently with a knowledge that he was sicker than when discharged, because he had applied for compensation?

Mr. NEWTON. He must have known that he was sick.

Mr. CHOLMELEY-JONES. He was in the hospital when he asked for conversion.

Mr. NEWTON. He was in the hospital sick, and he asked for conversion of the \$10,000 or \$5,000. He submitted no health statement; at least, there is no record of his having submitted one; but his money was sent. A statement of his condition was sent him, and an unconditional policy was sent him—not a suspense receipt, but an unconditional policy was sent him; and no one will ever be able to convince the parents that somebody here in Washington had not beaten him out of the money. And it is a very bad advertisement for Government insurance to have a thing like that happen.

Mr. CHOLMELEY-JONES. Yes; but it is a difficult equation. I think that very thing would be prevented by the provision in the law allowing the men who are sick to reinstate.

Mr. NEWTON. I think it would.

Mr. CHOLMELEY-JONES. I think it would; in other words, we would get at the root of the thing.

Mr. NEWTON. But have you not a provision now permitting reinstatement inside of 18 months?

Mr. CHOLMELEY-JONES. Yes.

Mr. NEWTON. Without regard to health?

Mr. CHOLMELEY-JONES. No; it is three months, six months, nine months, and so on, under different conditions—a short examination, no examination, etc.

And right in that connection, Mr. Chairman, and answering Mr. Newton, I believe it would be well, if I may suggest it, for the committee to consider including in this present bill the conditions under which the men may reinstate their insurance, and the time within which they would be allowed to reinstate.

For instance, now we say that all reinstatements must be made by a certain date; then at that date, we extend it to another date. It is my own belief that we should allow the men to reinstate their insurance during the 5-year period from the date of the termination of the war; because they have during that 5-year period to convert their insurance. Now, we ought to allow them to reinstate during that period in order to convert it. And I think it would be a very good idea for you to consider including in this bill provisions for the reinstatement of insurance during this 5-year period.

For instance, say that all ex-service men holding war-risk insurance, or having had war-risk insurance, and having allowed it to lapse, may reinstate at any period during five years after the declaration of peace or the suspension of hostilities, and then include a provision that those who are suffering from disease or disabilities contracted in or aggravated by their service may reinstate, provided the other conditions are complied with, as to the payment of premiums, etc.

Mr. SWEET. You mean during the five years that that reinstatement shall take place without medical examination?

Mr. CHOLMELEY-JONES. No; it would be with medical examination. But if the man was found to be suffering, just as this man was suffering, from injuries or disease contracted in or aggravated by his service, he would be permitted to reinstate.

Mr. SWEET. Without a medical examination?

Mr. CHOLMELEY-JONES. No; you would have to make an examination in order to prove that.

Mr. NEWTON. That is, to prove traceability to the service?

Mr. CHOLMELEY-JONES. Yes; it would have to be a bona fide case; and where it was traceable to the service, we would have most of them in the bureau in connection with their compensation payments, and then would allow them to reinstate their insurance by paying all premiums. That makes it sound actuarially.

Mr. NEWTON. Do you not believe some provision ought to be made to make the Government insurance policy after a certain period incontestable, so that a man will know he has got something?

Mr. CHOLMELEY-JONES. I do; I most certainly do. I think it would be well also to include in this same part of the proposed amendment to the bill a provision that after three months, or after six months, the policy shall be incontestable; you might make the limitation that it should be incontestable except in case of fraud.

Mr. NEWTON. Yes. As I understand it, the practice now is not to issue a policy, except a conditional policy, until you are absolutely certain that you have got all the evidence?

Mr. CHOLMELEY-JONES. Yes.

Mr. NEWTON. You do not send out those receipts to whoever sends the money; it is a different kind of receipt now?

Mr. CHOLMELEY-JONES. Yes; a provisional receipt.

Mr. NEWTON. But I think something should be done about making the policy incontestable after a certain period, except for fraud.

Mr. CHOLMELEY-JONES. I believe so. And if I may, I would like to make this suggestion:

Sometimes in these things that come up in the bureau there is a great question in our minds as to whether or not we have the authority under the law to make such provisions, because in effect some of them may be regarded as requiring legislation; they may be legislative in their nature. And this seems a very good opportunity to include such things as Congressman Newton has just referred to in this present bill.

I have in mind also suggesting your consideration of including in this bill the provisions of Regulation 57. Regulation 57 was issued primarily because of this condition:

A soldier, having been discharged from the Army suffering from disease or disability contracted in the service, would enter a Government hospital, or a private hospital, as a patient of the Bureau of War Risk Insurance. He would be there a month, six months, a year, a year and a half, or two years, as the case may be. We would examine him from time to time, of course, treating him all the time. We would say to the doctors: "Is this man permanently and totally disabled? Will he ever again be able to engage in a substantially gainful occupation?" The doctors, being hopeful, and having confidence in the skill of the profession, do not like to say that a man is in fact permanently and totally disabled, unless it is very clear that he is in fact totally and permanently disabled.

A man may have to undergo many additional operations, dangerous in character; but it would be the belief of the doctors, and the sincere belief, that after these operations the man could, at the end of another year, or two years or three years, as the case may be, engage in some substantially gainful occupation. Therefore, they do not feel justified in expressing the professional opinion that this man is in fact totally and permanently disabled, and never again will be able to engage in a substantially gainful occupation.

Therefore, in Regulation 57, we try to provide for an arbitrary time after which a man would be presumed to be permanently and totally disabled. For instance, should it be two years, or should it be three years? Should a man have to await three years of continuous hospitalization, or have to be rated during that time as temporarily totally disabled, not being able to engage in a gainful occupation, before the Government will say, "We will presume you to be permanently and totally disabled, and we will give you the benefits of the act until such time as you are able in fact to engage in an occupation"?

Well, two years or three years seemed a pretty long time. We got down to a year and a half, then to a year; and then we got down to six months; so that if a man was in a hospital six months suffering from a disease or injury contracted in or aggravated by the service, or if he had been temporarily totally disabled during that time, and at the end of six months he was examined and it was determined then that he needed further hospital treatment, or that it was necessary to continue him on the rating of temporarily totally disabled—in other words, if we advised him against reentering his business

activities—that man would then be regarded as permanently and totally disabled, until such time as he was able, and was recommended by the Government representatives, to again engage in an occupation.

Now, in the past many have died where we have been unable to convince ourselves that that man was in fact permanently and totally disabled, because we were hopeful that he would again be able to enter some occupation. And it has been a matter of great complaint on the part of the beneficiaries and on the part of the families of those men who have died.

I remember, for instance, one time when I was up in Massachusetts attending a convention of the American Legion. There were about 4,000 men present. And one man got up and asked: "In what condition must a man be in before he is rated as permanently and totally disabled?" And I said, "It is pretty hard to tell without knowing about the case"; and he told me about the case. And I discontinued my remarks, got in a taxi, and went up and saw this boy; he was suffering from tuberculosis. I found that he was very sick indeed; he had been in two hospitals, and had left of his own volition. We put him in Parker-Hill hospital, and we found that his case was very aggravated; and yet they were hopeful that if he complied with the rules and regulations of a hospital for the care of such disease he would recover.

Now, that man died. He had been sick that way for a long time, and he had been rated as temporarily totally disabled for a long time. And I think the Government could well afford, in generously performing its duty to these men, to say that after general hospitalization for six months, or after being temporarily totally disabled for six months, they would then be presumed to be permanently and totally disabled, until it was shown that they are able to go into some gainful occupation, and that is reported into the bureau. And I believe when they are totally disabled, that should be made retroactive, as it is under regulation 57, to begin from the date of their treatment, because during the past six months they have surely been in a hospital and deprived of the opportunity of engaging in a gainful occupation, just as they will be in the six months following.

There are differences of opinion among Members of Congress, and in the organization of the bureau. Some believe that if you do make an arbitrary date, such as six months, the changed rating should be from that date forward. And yet the men themselves feel that, since they have been in the hospital that six months, and the conditions are exactly the same as for the period that will follow, they can not conceive why they should be deprived of the maximum compensation during the past six months, because, in fact, if we knew at the beginning of their hospitalization that they were to be there six or seven or eight months, or a year or two years, we certainly would have given them the permanent total disability rating.

Mr. SWEET. If it is to be retroactive, I understand that it will go back to the time they entered the hospital?

Mr. CHOLMELEY-JONES. Yes, sir; or the beginning of their temporary total disability.

Mr. SWEET. You would indulge in the presumption that, if a man has been in the hospital six months, or is rated as temporarily totally disabled during that period, then in the event that he should be rated at the end of the six months as permanently totally disabled, it

should be made retroactive back to the date that he entered the hospital?

Mr. CHOLMELEY-JONES. Yes, sir. Now, there are some cases where a man is living at home, with tuberculosis, for instance, or other disability or disease, where we believe that he is just as well off at home; he is getting out-patient treatment, and he is rated as temporarily totally disabled, just the same rating as he would get in a hospital. Those men would come under the same provision.

Mr. SWEET. And in case a man really recovered, he would be rated at whatever the disability would warrant?

Mr. CHOLMELEY-JONES. Yes, sir; 50 per cent, 60 per cent, or whatever it was.

Mr. SWEET. And if he died, it would be conclusive evidence that the department had indulged in a proper presumption in favor of the soldier?

Mr. CHOLMELEY-JONES. Yes, sir. As soon as his condition warrants a change in rating, a change is made; so that the Government has full control of that; and in the case of his insurance, for instance, when he is presumed to be permanently and totally disabled, his insurance becomes effective. Now, if his rating is changed to 70 per cent or 50 per cent, he no longer gets the monthly payments under his insurance, but has to start the payment of his premiums.

Mr. SWEET. How is order 57 working out?

Mr. CHOLMELEY-JONES. It is difficult in operation, Mr. Chairman, because many men feel that the mere fact that they have been in a hospital for six months and a day entitles them to that rating. And we have gone on the basis that at the end of six months, we make an examination, and if the man is in there for some abscess of the little finger, for instance, and he has had that operated on, and it has broken open again, and he has stayed there the six months, and the hand is now in a very healthy condition and he is going out in two or three days, we feel that he is not the kind of case that comes under regulation 57; and that man is not presumed to be permanently and totally disabled.

Now, it may be wiser for a provision to be made that if a man stays in a hospital a year and a day, irrespective of his going out at the end of that time, for that year, which is a long time, he will be presumed to be permanently and totally disabled, and rated accordingly.

Mr. SWEET. Do you not think it is better to leave this whole matter in the field of regulation, rather than to put it in the law? This is a matter that time will take care of.

Mr. CHOLMELEY-JONES. Well, not entirely, Mr. Chairman, and I feel that those who prepare and operate under the regulations are sometimes doubtful as to the right to promulgate regulations of that character, when it is so close to legislation.

Mr. SWEET. As I remember, Senator Smoot was very much opposed to that regulation?

Mr. CHOLMELEY-JONES. It is the sincere belief of Senator Smoot, as I interpret it, that in issuing regulation 57 we have gone beyond our power under the law, and that it is legislating and not issuing regulations under the law. I personally do not agree with him—naturally, because I am responsible largely for the preparation of regulation 57; otherwise I should not have recommended its approval to the Secretary. But I am just as likely to be wrong, and

maybe more so, than the Senator, because he is more familiar with legislative matters than I am.

And it is for that reason that where there is room for just difference of opinion, and where the department and the bureau are only anxious to do that which is in fact right and which would be interpreted as being reasonable and correct in the eyes of the legislators, that I have felt that it would be well to bring it to your attention for consideration.

There is another point that has been brought up recently, and I am simply calling it to your attention for consideration—it is more or less a new point. And that is this:

A man is retired from the Regular Army or from the Navy; he becomes 65, or 69, or 70, or 75; he is not engaging in any occupation; but to all intent and purposes he is healthy. His doctor says he must not work; he has hardening of the arteries, or some of the things that come with age. But the man is healthy; he eats three meals a day; he is happy. And yet it would be manifestly wrong for him to engage in an occupation, because he would run the real risk of shortening his life.

A number of those men have come to me recently, and said that they believed that they were really entitled to the monthly installments under their insurance, on the basis of permanent and total disability, because, in the first place, they were retired from the Army because they could no longer engage in their profession because of age; and then time had passed, and subsequent to their discharge they had found from experience, and by the advice of physicians, that in fact they should not engage in an occupation. And to pay the very high premiums that are required at the ages of around 70 and over is a very serious thing, because they have, many of them, practically no other income but their retirement pay.

Mr. SWEET. What is their retirement pay?

Mr. CHOLMELEY-JONES. I do not really know the exact amounts; it depends upon their rank, I understand.

Mr. SWEET. The insurance they have is the yearly renewable insurance?

Mr. CHOLMELEY-JONES. It might be either one; in some cases it might be the yearly renewable insurance, and in some cases I know it to be the converted policy.

Now, take into consideration the purpose of the original act, and the same purpose carried through all the amendments to the act. I think that the legislators had in mind preventing the recurrence of the old pension system. To do the thing which we are discussing now, to allow the policy to mature because of permanent total disability at a certain ripe old age, would, in effect, be an old-age pension under the insurance.

I am advised that in private companies, they regard most people who are of the age of 62 or upward as being unable to engage in an occupation; so much so that in their policies, where a man is insured for not only death but for permanent and total disability, the total and permanent disability feature of that policy matures at the age of 60 or 62, because a man at the age of 62 is presumed to be unable to engage in a substantially gainful occupation; of course, that is not true in all cases, but it is true by and large.

Now, if under this policy of the Government, where the average policyholder was a comparatively young man, 27 or 28 when he took out the policy, if they continued their policy until the age of 62, 63, 65, or 70 years, it might be a very judicious thing for the Government to allow those policies to expire and to pay the monthly installments during the balance of that veteran's life; because that would be setting now the limitation of their pension. It is a thing that, of course, would require very serious consideration, because there are many angles to it. I see some justice in it; and yet I see that in 40 or 50 years from now it would mean that, at a particular time—because the majority of our service men and women during the World War were of an equal age—they would all become 62 or 65 or 70 years old at approximately the same time.

Of course, they would have to have continued their insurance during that period. And it will be remembered that it might be provided that, under those conditions, the payment of the final settlement would be of that amount of money which still remained after the deduction of the monthly installments paid to the insured himself. So that it might result in no more money being paid by the Government.

But there is merit, as I see it, in the payment of the installments under the insurance, upon the theory of permanent and total disability, to those people after they arrive at a certain age and when they are not in fact engaged in an occupation.

Mr. SWEET. How many would that benefit at the present time?

Mr. CHOLMELEY-JONES. At the present time I suppose it would benefit not more than 100. I really do not know.

Now, you could leave it just on the basis of fact, whether or not the man was in fact so sick that he could not engage in an occupation. But those men, for instance, that I have in mind have been in the Army all of their lives, and the doctors advise them that they should not work. You could say this to them: "You could go out and be a flagman, or you could work taking tickets at the theater, or you could sell newspapers." But I do not believe that that is the way to look at it. It is quite an important point to them.

Mr. LEA. Do not these converted policies place a limit on the time for the payment of premiums?

Mr. CHOLMELEY-JONES. It depends on the contract that you take. In an ordinary life policy you pay as long as you live. In a 20-year endowment policy you pay for 20 years. In a policy maturing at the age of 62 you pay until you are 62.

Mr. LEA. In some cases they say 65 years. And where there is a time limitation upon the payment of the premiums, the individual payments of premium can be made sufficiently high to cover the payments that would be made during the period after that age was reached; and that would largely meet the situation you suggest, would it not?

Mr. CHOLMELEY-JONES. In a measure; yes. Of course, the Government is issuing standard forms of policy. For instance, there is an endowment policy at the age of 62; that means that at the age of 62 the endowment matures and they get their \$10,000. There are other policies issued by private companies where a man pays premiums up to the age of 62, or any other age he may designate for the termination of the payments, and accordingly after that he stops

paying premiums, but he does not get anything on the insurance until he dies.

Mr. LEA. When does his right to exercise that privilege expire?

Mr. CHOLMELEY-JONES. When he takes out his contract; that is, the original contract.

Mr. LEA. He could not exercise that privilege after he got to be 55, for instance?

Mr. CHOLMELEY-JONES. Only by paying all the back premiums, with interest.

Mr. SWEET. Have you any other suggestions on the bill, Col. Cholmeley-Jones?

Mr. WINSLOW. Mr. Chairman, at the risk of repeating what may have been said before, which I do not care to do, I would like to ask Mr. Cholmeley-Jones if he thinks it would be wise to have a regulation or law requiring patients being cared for by Government authority, either in privately or publicly owned institutions, to conform to general rules and regulations that would be adopted for the conduct of those institutions.

Mr. CHOLMELEY-JONES. That is provided for, I think, Mr. Winslow, in the present bill. I agree with you that there should be; I think that there should be certain provisions whereby a man would forfeit at least part of his compensation, or be denied further hospital treatment, unless he did comply with the rules and regulations of the hospital.

Mr. WINSLOW. And have those rules set out by the department?

Mr. CHOLMELEY-JONES. Yes, sir. Well, that is provided for in this present bill, Mr. Winslow. Each hospital then would have to enforce that as a matter of discipline.

Mr. WINSLOW. Yes.

Mr. CHOLMELEY-JONES. And then we would be advised of any violation, and then the bureau would reduce the compensation.

Mr. WINSLOW. It seemed to me, from what little I had observed, that there was a freedom in some of these places where the soldiers were being cared for at Government expense which permitted the patient to do pretty much what he wanted to, to come and go as he pleased, and to be without any restrictions whatever as to his treatment or conduct; and it seemed to me that as the Government was paying for the care of these men for a certain time it was responsible for his conduct in the hospital; that it is not fair to the Government to allow these fellows to have free board and be under the responsibility of the Government and yet have no restrictions and no obligation imposed upon them to observe the ordinary hospital regulations or to keep order. There are a lot of them in Massachusetts.

Mr. CHOLMELEY-JONES. It would be to their best interest to have such rules and regulations.

Mr. WINSLOW. Well, I have known of cases where they are taking advantage of the lack of restrictions and thriving on it; in some cases they have simply told the hospital authorities that they did not want to do so-and-so, and that they would do as they pleased. Around Boston—I think they have a clubhouse there—they came in and went out and stayed overnight and did just as they pleased, and nobody could call them to account, and it occurred to me that that was not very good management for anybody undergoing hospital treatment.

Mr. CHOLMELEY-JONES. That is correct. In one hospital the other day the milk failed to come in the morning; and there were several hundred patients in the dining room; and they all started to knock their glasses and knock their plates on the table, insisting upon having milk. And it was explained to them that, unfortunately, the milk had failed to arrive and that it would be there just as soon as possible, and they were requested to please excuse it and to go on with their breakfast. And a number of them began to get very boisterous; and one of the hospital organization came up to one of the fellows and said, "Now, do not get these men excited this way: we can not help it; the milk is not here; it is a misfortune; but the milk will be here very soon, and we will give it to you as soon as it comes; and won't you please go on with your breakfast?" And another fellow came up and said, "Take your hands off that man; don't you dare to put your hands on that man." And they began to congregate there; and the first thing anybody knew, this fellow got a lot of bruises and scars, and they "beat him up." So that they got together a group of these men who were responsible for this disturbance, and said they had to leave the hospital; whereupon the gang said, if these men were removed from the hospital, they would destroy the property. And we had to call in the Federal authorities, because it was on Federal property, and quell that small disturbance.

It is true that these men are sick men, and we must be patient with them and give them the very best care and treatment. But it is certainly unfair to those who are trying to benefit by the treatment to have their treatment interfered with and interrupted and spoiled by a very few who do not play the game.

Mr. WINSLOW. Well, have there not been a number of cases where the patients have undertaken to elect the particular institutions they will go to; where they demand to go where they please, and with success, too?

Mr. CHOLMELEY-JONES. We always try, when a man has to leave his own State, because of there not being enough hospital facilities there, to give him the choice of the hospital that he will go to, the Government hospital; and then he will select the hospital he wants to go to, and he goes there.

Mr. WINSLOW. Does that not amount to this: That a man who found himself in one institution and heard of another one which he thought was a little "softer," could arrange to go there?

Mr. CHOLMELEY-JONES. Yes, sir; that is done to some extent. A man was in my office the other day who had been to 13 hospitals; he had been on the Pacific coast twice; and according to his statement, he had been examined by 300 doctors.

Mr. NEWTON. And he is still alive? [Laughter.]

Mr. CHOLMELEY-JONES. He is still alive. But that fellow was a very sick boy; and it was because of his severe illness that he could not stand being at one place very long. He had very bad heart trouble—lesion, I believe it is called.

Mr. WINSLOW. Well, I would not assume that a man should not ever be moved; but it seems to me that if a man by simply making a "kick" is able to decide for himself where he is to go when he does not like the hospital where he is being treated, that condition should not be allowed to continue.

Mr. CHOLMELEY-JONES. No.

Mr. WINSLOW. Now, how would you arrange that; by regulation or by law?

Mr. CHOLMELEY-JONES. By regulation. Now, to-day when a man is in a hospital that is giving satisfactory service, that man has to stay in that hospital, unless there is some good reason why he should be moved. For instance, he may not be making enough progress because he is worrying over the fact that he is too far away from his family; the doctor would say, "I believe it would be to the interest of this patient to comply with his request to remove him." But if it is simply arbitrary on the part of the patient, due to his being tired of the place and wanting to go somewhere else, we would not allow that. And sometimes the patient leaves a hospital of his own volition and turns up in another hospital; and sometimes they demand transportation or demand a refund of the expenses that they have incurred in making the change. But we do not allow that. We have done it in the past in some cases; but we do not do that now, because it just created a lot of tourists, and in fact it was injuring their own health. But those things, of course, we have had to modify and improve by experience.

Mr. SWEET. I might suggest that section 14 covers that question; it is practically the same as in the Wasson bill.

Mr. CHOLMELEY-JONES. I want to take this opportunity, Mr. Chairman, if I may do so informally, of expressing my own sincere appreciation of the courtesy that the members of this committee and of the whole Committee on Interstate and Foreign Commerce, have extended to me during the period of my directorship of the bureau. It has been very gratifying and very encouraging to me during my directorship of the bureau to receive such whole-hearted support.

I have always felt that with the individual members of the sub-committee, and of the committee as a whole, I had the most thorough, complete, and sympathetic support and consideration. I have always felt that I could come first to this committee, and lean on them, and tell them all of the problems and the intricacies that were coming up in the operation of this act; and I certainly will always look back upon my experience with you with great pleasure. I want to thank you for it.

Mr. SWEET. I will say that we appreciate the fact that the director has come here this morning and made a very clear statement to us, and we wish to thank him for it.

Dr. Hugh S. Cumming, the Surgeon General of the Public Health Service, is here this morning, and I will be glad to have him make any statement in regard to H. R. 3 that he may desire.

**STATEMENT OF DR. HUGH S. CUMMING, SURGEON GENERAL
UNITED STATES PUBLIC HEALTH SERVICE.**

Dr. CUMMING. Mr. Chairman and gentlemen, Col. Cholmeley-Jones and I have probably both had more experience than anybody else in these matters; and while our experience may have been divergent at times, we have apparently arrived at the same conclusions with regard to this bill; and I can thoroughly indorse what Col. Cholmeley-Jones has said so far as hospitalization and medical and surgical care

are concerned. With insurance matters, of course, I have nothing to do.

We have tried to change the bill along the lines that Col. Cholmeley-Jones suggested, which will allow you to legislate covering what is already going on, or in process of settlement, under the departmental order recently issued by Secretary Mellon, a copy of which I will submit for the record if desired.

Mr. SWEET. The order of the Secretary of the Treasury dated April 19, 1921, will be inserted in the record.

(The order referred to is as follows:)

ORDER RELATIVE TO THE TRANSFER OF CERTAIN ACTIVITIES OF THE UNITED STATES PUBLIC HEALTH SERVICE RELATING TO BENEFICIARIES OF THE BUREAU OF WAR RISK INSURANCE, INCLUDING TRAINEES OF THE REHABILITATION DIVISION OF THE FEDERAL BOARD FOR VOCATIONAL EDUCATION, TO THE BUREAU OF WAR RISK INSURANCE.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, April 19, 1921.

To the Surgeon General and medical officers of the United States Public Health Service, Director of Bureau of War Risk Insurance, and others concerned:

1. All of the activities of the United States Public Health Service, with the exception of such hospitals and dispensaries as are operated by that service, in so far as they affect the beneficiaries of the Bureau of War Risk Insurance, including trainees under the Rehabilitation Division of the Federal Board for Vocational Education, are hereby transferred to the Bureau of War Risk Insurance, and the Director of the Bureau of War Risk Insurance is hereby directed to assume and administer such activities and shall hereafter be responsible for the examination, hospitalization, and proper and satisfactory medical care and treatment, including supplies, for the said beneficiaries.

2. Personnel.

(a) Such regular and reserve commissioned officers of the United States Public Health Service concerned in or with the activities to be assumed and administered by the Bureau of War Risk Insurance are hereby detailed and assigned for duty to and shall be under the direction and subject to the orders of the Director of the Bureau of War Risk Insurance. Such officers shall be immediately notified of such detail by the Surgeon General of the United States Public Health Service. As soon as practicable the regular commissioned officers will be released from duty with the Bureau of War Risk Insurance. In the event that the services of any reserve commissioned officer shall become unnecessary, the Surgeon General of the Public Health Service shall be so advised.

(b) All personnel of the United States Public Health Service other than that mentioned in paragraph (a) who are employed in the District of Columbia and elsewhere and who are engaged in the activities to be assumed by the Bureau of War Risk Insurance are hereby transferred to and shall be carried on the rolls of the Bureau of War Risk Insurance.

3. All papers, records, files, documents, and correspondence of the United States Public Health Service pertaining to the activities to be assumed by the Bureau of War Risk Insurance, together with all facilities, including vehicles and other equipment now on hand and in use by the United States Public Health Service for the administration and execution of such activities, shall be delivered into the custody of the Director of the Bureau of War Risk Insurance.

4. The offices and buildings now occupied by the United States Public Health Service, which are used for the activities to be assumed by the Bureau of War Risk Insurance, shall be made available for the use of the Bureau of War Risk Insurance in such manner and to such extent as, in the opinion of the Director, may be necessary for the proper administration of such activities.

5. All Treasury Department orders and circulars in conflict with this order are hereby modified to accord herewith.

A. W. MELLON,
Secretary of the Treasury.

Dr. CUMMING. I think that about covers what the colonel has said.

With your permission, I want to emphasize what I previously emphasized—and I think the colonel will again agree with me—as to the necessity for making some provision in the hospitals for the personnel, a satisfactory personnel.

You have taken up that matter in section 4 of the bill, beginning with line 18, which provides that the personnel detailed or transferred from the Public Health Service to that bureau for this particular duty shall be at the same remuneration and so on, as the officers of the Public Health Service engaged in similar duties.

I am not going to take any of your time, except to state that, under present conditions, as has been brought out before you by the representatives of the National Tuberculosis Association and the representative of the Mental Hygiene Association, and by ourselves, it is almost impracticable to get or keep a satisfactory medical personnel under the uncertain tenure of office which now exists and with no more to look forward to in the future. We have medical officers now running hospitals, with a capacity of 1,200 or 1,300 people, who are now drawing the pay of, and can not draw any more pay than, a major or lieutenant colonel in the Army. Some of our best men have been decoyed over into the Army, as a matter of fact, because there is more future there; they can look forward to a colonel's pay. I think that is an important matter; it is equally important as building a new hospital to provide a personnel.

We have had prepared and submit, with your permission, a personnel section in this bill such as I have mentioned, with the changes suggested following Col. Cholmeley-Jones's suggestions.

I will be glad to answer any questions, Mr. Chairman. I think there is nothing more for us to say.

Mr. NEWTON. Dr. Cumming, if I may say a word, as I understand, there are about 200 now in the regular commissioned personnel of the Public Health Service.

Dr. CUMMING. Yes. We have lost 29, and have 29 fewer than a year or two ago.

Mr. NEWTON. The authorization is only about 225 or 230?

Dr. CUMMING. About that.

Mr. NEWTON. And then you have of reserve officers about 500?

Dr. CUMMING. No; we have over 800 now.

Mr. NEWTON. Over 800 reserve officers?

Dr. CUMMING. Yes.

Mr. NEWTON. Of course, the tenure of the reserve officers could be ended at any time?

Dr. CUMMING. Yes; it is very unsatisfactory.

Mr. NEWTON. So that a man in the regular service knows something about what his occupation is going to be; but a reserve officer in the Public Health Service has no idea how long he is going to be retained?

Dr. CUMMING. Yes; that is the idea.

Mr. NEWTON. Your purpose by this amendment would be to increase the authorization for the regular force from about 200 to 500?

Dr. CUMMING. Yes. And that will not take in, and we do not think the Government should take in, all the reserve men, because there will be a peak after which we will not need them. But we do believe that about 500 of these men will be necessary. It does not

involve any increased expenditure. We submitted an analysis to Secretary Houston last year on the subject. Many of these men would very gladly take a lower grade, if there was some permanency attached to it. Now, it is simply a question of a doctor giving up his practice and coming in and getting a hospital and feeling that he may—well, it depends entirely upon the justice of the bureau and the department, but he may be dropped at any moment.

I feel that I should allude to the fact that there is a very serious restlessness in the corps now, because of the frequent unjustified attacks upon these professional men who have been attending conscientiously to their patients, and who have a splendid record; many of them, as you know, have been attacked in the newspapers for neglect of their patients, which makes it exceedingly difficult to retain the better class of men.

That is also true of the trained nurses. In one of the hospitals which has recently been under attack by a foreign reporter who has been writing for one of the New York evening papers, the conditions were so bad that we had to send armed guards to the nurses' quarters so that they could go through the grounds. That is true of the trained nurses. And conditions were very bad in some of the hospitals. That would be corrected by this section 14. I just allude to that at this time.

Mr. NEWTON. The total force, then, of regulars and reserves is now about 1,000?

Dr. CUMMING. Yes; about that.

Mr. NEWTON. So that if this amendment was adopted, it would make the regular commissioned force about half of what you now have altogether?

Dr. CUMMING. Yes. I might state, although it is not pertinent to this bill, that the demand for officers is very urgent now. For instance, we have to have 16 men in Europe; we can not spare them from the regular corps, and it is very unsatisfactory picking up men for that important work of looking after ships coming here; and we either have to put the men in or stop the ships.

Mr. NEWTON. That is in connection with immigration?

Dr. CUMMING. Yes; and from what I saw in Europe I think conditions will not be much improved inside of a year.

Then we are trying to institute at Ellis Island and other immigration stations a much more thorough scientific examination, physical and mental, than we have had; and we do not find that men who are hired in a locality can always be thoroughly trusted to perform those duties in that locality conscientiously, in the same manner as a man whose interests are bound up with the Government will perform them. We have tried that pretty well.

And that, of course, is in addition to other Public Health Service work. We are constantly having to refuse the requests of various States to lend them medical officers to institute and develop public health service in the States, because we have not got the officers. We felt very much complimented the other day that the governor general of Australia asked us for an expert in industrial hygiene to go out there and start their department of public health; but we do not feel that we have a man for that. They want a man who is an expert in sanitation in mines. We have had requests from foreign governments, a good many of them, in the last 12 months, which are very

complimentary to the efficiency of the service, but which we could not grant. Of course, we are not asking for men for that purpose particularly, but for our own work we do feel that we need more men of a permanent type.

Mr. SWEET. Dr. Cumming, you are in favor of the enactment of this legislation, are you?

Dr. CUMMING. Yes, with the suggestions which the colonel made.

Mr. SWEET. With the suggestions which Col. Cholmeley-Jones and you have made?

Dr. CUMMING. Yes, and which follow very closely, I believe, Mr. Chairman, the already-existing order which Secretary Mellon has put into effect.

Mr. SWEET. Is there any other person, Dr. Cumming, that you would like to have heard?

Dr. CUMMING. I think not, Mr. Chairman, unless you want to ask some questions.

Mr. SWEET. I think that completes the hearing this morning, and we will meet here on Monday morning at 10 o'clock to continue the hearing.

(Thereupon, at 12.45 o'clock p. m., the subcommittee adjourned until Monday, May 2, 1921, at 10 o'clock a. m.)

SUBCOMMITTEE ON WAR RISK INSURANCE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 2, 1921.

The subcommittee met at 10 o'clock a. m., pursuant to adjournment taken on Saturday last, Hon. Burton E. Sweet (chairman) presiding.

Mr. SWEET. The committee will please come to order, and we will continue with the consideration of H. R. 3.

We have with us Congressman Fisher of Tennessee, this morning. Would you like to make a statement in regard to H. R. 3, Mr. Fisher?

Mr. FISHER. Yes.

Mr. SWEET. You may proceed.

STATEMENT OF HON. HUBERT F. FISHER, A REPRESENTATIVE FROM THE STATE OF TENNESSEE.

Mr. FISHER. Mr. Chairman, I would like to have an opportunity to present to the committee an amendment in which I have been interested for some time and which Judge Sims offered in the last session and which was objected to and went out on a point of order because it was not germane to the bill being considered.

Now, in the Sweet bill there was a provision which brought in the drafted man before his final induction into the service, so he would get his protection or compensation and insurance from the day of draft. Under the amendment which Judge Sims prepared, and which I am interested in, that same privilege is given the men who were volunteers in the Navy.

For instance, if a man made application for induction into the Navy and was accepted and was ordered back home to await active-

service call, he was in the same position that the man was in that was drafted and had not been finally accepted for service. In other words, under the present law the drafted man is given preference over the volunteer.

Now, I took the matter up with Col. Cholmeley-Jones, Director of the Bureau of War Risk Insurance, and Mr. Black, and had a number of conferences with Judge Sims about it, and the amendment which was offered to cover this defect is as follows:

That section 401 of the War Risk Insurance act as amended is hereby amended as follows: "*Provided further*, That any person who between the 6th day of April, 1917, and the 11th day of November, 1918, applied for enlistment or enrollment in the military or naval forces and who was accepted provisionally and directed or ordered to a camp, post, station, or other place for final acceptance into such service shall be considered to be in active service during the period while such person was complying with such order or direction, and during such compliance, and until his final acceptance or rejection for enlistment or enrollment into the military or naval forces, and shall be entitled to the compensation and insurance benefits of this act."

That is the amendment which was offered by Judge Sims. I had, as I say, a number of conferences with Col. Cholmeley-Jones and with Mr. Black, who was the general counsel for the Bureau of War Risk Insurance, and he drew an amendment which is a little more elaborate. But this was submitted to him, and I think it covers the same matter.

Now, you gentlemen probably have not had called to your attention the specific instances where this lack of provision comes in, or rather where this type of man is not taken care of in the bill.

There were a number of boys in Tennessee—two in my district and three in what was then Judge Sims's district, the eighth district of Tennessee—boys living in Jackson, Tenn., who first went to Memphis and from there went to Nashville to volunteer in the Navy. They were accepted, took out insurance policies, and were ordered back home to await active call. When they got on the train, a sleeping car, going back from Nashville to Memphis, and to Jackson in one case—the destination of the three men was Covington, Tenn.—and there was a collision, and five or six men were killed.

Now, if they had been drafted men they would have been covered by the insurance laws. They had taken out the insurance policies, but the law says they shall not have the benefit of the war risk insurance act, because they had not been accepted.

Now, I am going to submit to the record this amendment which was drafted by Mr. Black, the general counsel of the War Risk Insurance Bureau.

Mr. SWEET. It may be received.

(The amendment referred to is as follows:)

Provided further, That any insurance application heretofore made by a person after enrollment, appointment, or entrance into the Reserve Corps or reserve forces of the military or naval forces, but before being called into active service, shall be deemed valid and in force between the date of such enrollment, appointment, or entrance into such reserve forces and the date called to active service, although premiums may not have been paid.

Provided further, That any person who may have been enrolled, appointed, or entered the Reserve Corps or reserve forces of the military or naval forces after the 6th day of April, 1917, and before the 11th day of November, 1918, who while in such service and before being called to active military or naval service becomes or has become totally or permanently disabled, or dies or has died as a result of disease contracted or injury suffered in the line of duty and not due to his own willful misconduct, involving moral turpitude of an existing disease or injury, he or those entitled thereto

shall receive the benefits of compensation payable under article 3 of the war-risk insurance act: *And provided further*, That any person who may have been enrolled, appointed, or entered into the Reserve Corps or reserve forces of the military or naval forces after the 6th day of April, 1917, and before the 11th day of November, 1918, who while in such service and before being called to active military or naval service, become or has become totally and permanently disabled, or dies or has died, without having applied for insurance, shall be deemed to have applied for and to have been granted insurance payable to such person during his life in monthly installments of \$25 each.

If he shall die either before he shall have received any of such monthly installments or before he shall have received \$240 of such monthly installments, then \$25 per month shall be paid to his widow from the time of his death and during her widowhood; or if there is no widow surviving him, then to his child or children; or if there is no child surviving him, then to his mother; or if there is no mother surviving him, then to his father, if and while they survive him: *Provided, however*, That no more than 240 of such monthly installments, including those received by such person during his total and permanent disability shall be so paid. The amount of the monthly installments shall be apportioned between the children as may be provided by regulations.

Now, I would like to ask the committee that this be taken up with the Bureau of War Risk Insurance. They have a number of cases there where there is injustice to a number of men who volunteered, because there is no law which applies to them.

I believe that is all. I have here the record of the discussion which was had on this matter at the last session.

I would like to ask the committee to submit the matter to the bureau.

I thank you very much.

Mr. SWEET. We will consider the amendments drafted by Judge Sims and Mr. Black. We thank Mr. Fisher very much for making this statement to the committee.

We have with us this morning Mr. Uel W. Lamkin, Director of the Federal Board for Vocational Education.

Mr. Lamkin, we would like to have you make any comments that you see fit in connection with the bill H. R. 3 that we are now considering.

STATEMENT OF MR. UEL W. LAMKIN, DIRECTOR FEDERAL BOARD FOR VOCATIONAL EDUCATION, WASHINGTON, D. C.

Mr. LAMKIN. Mr. Chairman and gentlemen of the committee, the general statement that I would make is that I am thoroughly in accord with the idea of putting all the Government agencies dealing with the disabled soldier under one directing head.

I assume you want me to criticize the bill from my viewpoint?

Mr. SWEET. Yes.

Mr. LAMKIN. In my judgment, it would be better if one of two policies were pursued in connection with House bill 3; either that all the amendments with respect to the war-risk insurance act be stricken out, and that House bill 3 be simply a consolidation bill; or that all amendments that may be necessary to the war-risk insurance act and the rehabilitation act be included in it.

And there are some amendments to the rehabilitation act which we think are just as important and which the American Legion will agree are just as important as a number of amendments suggested to the war-risk insurance act. That is the general statement I would like to make in regard to the bill.

Speaking in particular, on line 14, on page 2, the statement is made. "that there shall be included on the technical staff of the director a medical advisor, a chief of vocational placement, and such other staff officers, experts, and assistants as the director shall prescribe."

In my judgment that is a matter that ought to be left to the director of the veterans' bureau; he should be allowed to determine the technical staff, and the titles of the technical staff. Of course we all know what the medical advisor is; but what a chief of vocational placement is I do not know. We have found there has been written in both of the other laws, the rehabilitation act, and the vocational act, for the return of the men to civil industry, the word "placement". It has caused us more distress than any other word in the law. We are not an employing agency; we are not placing men. This bureau should not be an employment agency; it should train men for employment, and when you make the statement that it has a chief of vocational placement, I am afraid you will tie it up with some activities which it seems to me you do not want to tie it up with.

It seems to me it would be better to give the director general authority to carry out such provisions in the bureau as would carry out all the purposes of the act.

Section 4, line 18, brings up in general the question of your medical service and medical personnel. If these doctors and medical personnel of all kinds are to be under the absolute control of the director of the veteran's bureau, well and good. But there should be no consolidation that does not necessarily carry with it to the consolidated agency the medical care and medical treatment and absolute authority over the medical care and medical treatment of the beneficiaries of the bureau and trainees of the board.

Mr. SWEET. What do you say as to the Public Health Service simply taking care of all of the hospitalization? In other words, when a man is turned over to the Public Health Service for hospitalization he is then under the supervision of the Public Health Service. When all the examining boards are made a part of the new bureau, they will be absolutely under the control of the director of that bureau.

Mr. LAMKIN. I think that is the only way you will get any kind of satisfactory service. And I still think you will have this danger—that you will hold the bureau responsible for the care of men in some body else's hospital. You will still have that difficulty.

On the other hand, if the Public Health Service, an organization of long standing, is to return to its prewar basis, plus hospitalization, and to leave to the bureau the examination, the awarding of compensation, the rating, and things of that kind, with a personnel under the director of the director of the bureau, I think it will work. But it can not work as long as the personnel is responsible to the surgeon general of the Public Health Service for the beneficiaries of the new bureau and not responsible to the real head of the bureau.

In regard to section 6, line 20, the statement is made that the director shall establish not more than 14 regional offices. I believe that should be left to the judgment of the director. In two States that I could speak of, in the present condition, namely, California and New York, the situation there is acute so far as our work is concerned. I doubt whether any one regional office in the State of New York is going to be able to handle properly the combined

problem; I have my doubts as to whether or not the San Francisco office will be as efficient as it could be if you divided the State of California and have a regional office at San Francisco and another at Los Angeles, both dealing with the Washington headquarters. I think it would be better if you would give the director authority to establish such regional offices as were desirable, and if you would not require him to establish not more than 14 regional offices.

Mr. SWEET. Well, I will say that I believe the committee is not really at variance with your suggestion. But the thought was this, that the Public Health Service has already established 14 regional offices, and the Federal Board for Vocational Education has also established 14 offices, and you are now cooperating through the regional offices.

Mr. LAMKIN. No; we have our separate regional offices.

Mr. SWEET. You are separate?

Mr. LAMKIN. Yes; we have separate regional offices.

Mr. LEA. In the same places?

Mr. LAMKIN. Yes; at the same places, and in most cases in the same buildings.

Mr. SWEET. Now, we have provided in this bill that there may be established such suboffices as may be necessary to the best interest of the work and for the proper carrying out of the purposes of the act. Now, the regional offices and the suboffices, so far as the powers and duties delegated to the different offices are concerned, are placed upon a par. For instance, in the latter part of section 6 it provides "and all other matters delegated to these agencies by the director as could be performed lawfully under this act by the central office."

Now, that would apply as well to the suboffices as to the regional offices.

Mr. LAMKIN. I think if that were stated on the floor of the House so that the comptroller, or any other accounting official of the Government should get that idea in interpreting the law, it might work all right. But we have found that sometimes they construe these statutes very strictly.

I think in the latter part of section 6 you should add to it your statement that they should also be able to award vocational training.

In section 9, line 20, "that in the hospitalization, medical care, treatment, and convalescent care of the beneficiaries of the veterans' bureau," I think that you should have vocational training in that section also.

I might add in passing, that a week ago to-day the Attorney General gave the President an opinion that he had authority to transfer to the Federal Board for Vocational Education any property, real or personal, that the War Department or any other department now has which is needed in the rehabilitation of disabled men. The department has been looking to see what it has, and we have been looking to see what we wanted, in order not to have to buy the property we wanted if they have it.

There are several other provisions that I am not going to discuss that deal particularly with the amendment of the war-risk insurance act.

But in section 14 you provide, "that the director is hereby authorized to make such rules and regulations as may be deemed necessary

in order to promote good conduct on the part of persons who are receiving care or treatment in hospitals, homes, or institutions as patients of said bureau during their stay in such hospitals, homes, or institutions."

We would like to include the words "training centers, or institutions." We have certain training centers in the country. We do not want to call them homes, and we do not want to call them institutions.

Mr. SWEET. That is in section 14?

Mr. LAMKIN. Yes; add "or training centers"; and instead of "patients of said bureau," I think it would be better if you used the word "beneficiaries" rather than "patients," would it not, in line 13?

Mr. SWEET. That would be in accord with section 7.

Mr. LAMKIN. In other words, we have a group of men who are no longer patients. They are getting medical service, but are beneficiaries rather than patients.

I think, Mr. Chairman, that is all the suggestions I have to initiate in regard to the bill. I would be glad to answer any questions regarding the work that you care to have me answer.

Mr. SWEET. Do the members of the committee wish to ask the director any questions?

Mr. LAMKIN. I might add for your information, if you care to have it, that at the last meeting of the board the director was given specific authority to proceed with such arrangements with the Director of the Bureau of War Risk Insurance as would draw all these agencies into closer relationship, and providing for a physical consolidation of the files and the records; and that we are now acting under that order.

Mr. SWEET. Have you a copy of that order with you?

Mr. LAMKIN. No.

Mr. SWEET. You might make that a part of the record.

Mr. LAMKIN. I will send the order to you. If you care to have me do so, I will submit a copy of my letter to Col. Cholmeley-Jones, with his reply, and also a copy of the order.

Mr. SWEET. We would be glad to have it.

Mr. LAMKIN. On last Friday representatives of the bureau and board were in Philadelphia and agreed on the organization of an administrative unit, on putting the files together, and making the best use of the space we have. We have renewed our offer to put our entire field force at the disposal of the bureau in getting the claims for compensation and insurance made in the field.

Mr. SWEET. You may insert in the record the correspondence and order you have referred to.

(The correspondence and order referred to were afterwards furnished by Mr. Lamkin, and are here printed in full, as follows:)

APRIL 13, 1921.

FEDERAL BOARD FOR VOCATIONAL EDUCATION,
Washington, D. C.

GENTLEMEN: In view of the recommendations of the Dawes's committee concerning the consolidation or coordination under one head of all the agencies dealing with the disabled ex-service men, which recommendations were approved by the President in his message to Congress, and in view of the action of the Secretary of the Treasury in transferring the medical service hitherto under the Public Health Service to the Bureau of War Risk Insurance, the director recommends that he be given authority to make such arrangements with the Bureau of War Risk Insurance

and with the Surgeon General of the United States Public Health Service regarding the consolidation of the several services and the common use of all facilities under the control of the three agencies as may be possible under the present laws.

Very truly, yours,

UEL W. LAMKIN, *Director.*

EXCERPTS FROM MINUTES OF THE MEETING OF THE FEDERAL BOARD FOR VOCATIONAL EDUCATION, APRIL 14, 1921.

There was read a communication dated April 13, from the director to the board requesting authority to go as far as possible in making cooperative arrangements with the Bureau of War Risk Insurance and the Public Health Service in anticipation of consolidation of the work for disabled veterans.

It was voted that the board approve the recommendation of the director.

FEDERAL BOARD FOR VOCATIONAL EDUCATION,
Washington, April 27, 1921.

Col. R. G. CHOLMELEY-JONES,
Director Bureau of War Risk Insurance,

Washington, D. C.

MY DEAR COLONEL: In view of the recent transfer of certain activities by the Secretary of the Treasury, I wish to make the following proposals as a basis of an agreement for closer working arrangements between the Government agencies which you and I represent in our dealing with the ex-service men.

1. That we proceed immediately to a physical consolidation of files in the district offices and to the elimination of all unnecessary and duplicate material.

2. That wherever practical or desirable, the Government agencies make common use of space which is held by any one of the Government agencies dealing with ex-service men.

3. That wherever practical or desirable, the Government agencies make common use of the personnel employed by our several Government agencies dealing with ex-service men.

4. That the contact personnel of the Federal Board for Vocational Education be used—

(a) In the preparation of claims for compensation.

(b) In the preparation of applications for conversion of insurance.

Such additions to the contact unit as are necessary or such transfers of personnel as may be desirable are to be worked out under such a plan as is mutually acceptable.

5. The medical service is to be decentralized both for examination and treatment. The decentralization will extend at least to all local offices of the Federal Board for Vocational Education and of the Bureau of War Risk Insurance and to such other places as may be agreed upon.

6. That a joint "Administrative Section" be formed in each district for—

(a) Custody of all Government property.

(b) Employment and handling of all clerical personnel of Government agencies dealing with ex-service men.

(c) For the preparation and submission of vouchers for claims against the Government.

(d) For such audit of accounts as may be assigned to the districts.

(e) For such disbursements as may be assigned to the districts.

7. That the Director of the Bureau of War Risk Insurance and the Director of the Federal Board for Vocational Education require all district and other employees of the Government agencies to cooperate for the promotion of efficiency of the service, and that the directors agree to the immediate removal of those who refuse such cooperation or who fail to give whole-hearted support to the program.

Very truly, yours,

UEL W. LAMKIN, *Director.*

APRIL 27, 1921.

I approve the working out of this plan.

R. G. CHOLMELEY-JONES, *Director.*

Mr. SWEET. You are in thorough accord with the purposes of this act?

Mr. LAMKIN. As I said before, I think it is a good thing, for three reasons: I think it is a good thing for the disabled man to be able to deal with a single Government agency. It will be beneficial to the Government in that it will give better service for the money spent for administration. I do not believe it will reduce the total cost of administration. I think it will be distinctly beneficial to the work of vocational education if the particular work of the rehabilitation of the disabled soldiers is taken away from the agency in the States which trains normal children.

Mr. LEA. Have you found any loss of time on account of communicating with the regional offices, instead of the central office at Washington?

Mr. LAMKIN. All of our decisions, except the allotment of money to the training institutions are made in the field. In other words, the Chicago office has power to and does rate the persons in that district, so far as vocational training is concerned, and only on appeals do they come to Washington.

Mr. LEA. I was wondering whether it was necessary to apply to Washington and to get the records from the central office before cases could be disposed of in the regional offices?

Mr. LAMKIN. Not at all. We get and send to the regional offices the records from The Adjutant General of the Army. We have a force at the War Risk Insurance Bureau to make copies of the awards of compensation as they are made. Just as soon as an award is made here a copy is sent to the district office of the district in which the man lives. Most of the delay in making our awards, and I think in the Bureau of War Risk Insurance, was because of the fact that a large number of these men stated that they had no physical disability, in order to get out of the Army and get home, and when we get that record, it is a record that he was discharged with no disability. It is then a matter of getting his present disability connected with his service, two years after he was discharged.

Mr. LEA. If the discharged man has changed his residence, is there any delay then in getting the records?

Mr. LAMKIN. No; because if he changes his residence, the district where he makes application for training asks him where he was from. If he says he was in Illinois, they then wire to the Chicago office direct, and not to Washington.

Mr. SWEET. If that is all, we thank you, Mr. Lamkin, for your statement to the committee.

We have with us this morning Col. F. W. Galbraith, national commander of the American Legion, and other officers of the Legion, and we would be glad to have them make statements.

Mr. TAYLOR. May I make a preliminary statement, Mr. Chairman?

Mr. SWEET. Yes.

**STATEMENT OF MR. JOHN THOMAS TAYLOR, VICE CHAIRMAN,
NATIONAL LEGISLATIVE COMMITTEE, AMERICAN LEGION.**

Mr. TAYLOR. We have with us here, Mr. Chairman, Col. F. W. Galbraith, national commander of the American Legion; Col. Abel Davis, of the hospitalization committee of The American Legion; Dr. Thomas W. Salmon, of the hospitalization committee of the Ameri-

can Legion; and myself, John Thomas Taylor, vice chairman of the national legislative committee.

I would like to make a preliminary statement, and then ask these other gentlemen to speak to you.

The American Legion at two national conventions passed resolutions requesting that the Congress take steps to decentralize those governmental agencies dealing with ex-service men and to consolidate them. Lacking nine days it is now two years and six months since the signing of the armistice, and during this trying reconstruction period the disabled ex-service man has had to deal with three agencies of the Government at the same time to secure the liberal benefits provided by Congress.

The Bureau of War Risk Insurance furnishes to the disabled veteran certain compensation and insurance; the United States Public Health Service, in conjunction with the Bureau of War Risk Insurance, furnishes hospitalization, medical care, and treatment; the Rehabilitation Division of the Federal Board for Vocational Education furnishes the disabled veteran with training provided he is vocationally handicapped. Therefore, the Government has made three distinct problems of a job that should be done by one agency.

There is one thing that I would like to bring to the attention of the committee, and that is the morale of the disabled ex-service man now receiving hospitalization from the Government. Twenty-five thousand men are receiving treatment from the Government.

I am speaking of this on account of the provision for discipline in your bill.

Mr. SWEET. Discipline?

Mr. TAYLOR. Yes, sir. Twenty-five thousand men are receiving treatment from the Government; they are scattered all over the country; their discontent has reached the American people. During the last session of Congress a bill was introduced to provide for a Chaplains' Corps of the United States Public Health Service to improve the morale of these 25,000 men. It is essential that they be furnished entertainment, moral and spiritual guidance.

The problem as it exists to-day was very forcibly presented in the memorial which was delivered to each Congressman during the last session of Congress, and which reads in part as follows:

In the rehabilitation of a disabled man there are three needs—medical treatment, vocational training, and financial support. The Government has recognized the three needs, but overlooks the fact they are the simultaneous needs of one man and not of three different men or of one man at three different times. It makes three problems of what is really a three-part problem. Continuing this faulty conception, it has delegated responsibility to three agencies, each independent of the others—the Public Health Service for treatment, the Federal Board for training, the War Risk Bureau for financial support. In practice compensation is divorced from training and medical treatment from both. These three agencies conflict and duplicate in most instances and fail of liaison in others, leaving the disabled man totally without support while being passed from the jurisdiction of one agency to that of another.

The third inherent defect in the system is its failure to recognize that the problem of training, treatment, and compensation is an individual problem. It must be handled in district and branch offices who see and deal with the disabled men themselves, and not persons in Washington who see and deal only with paper records. The experiment of centralization has failed.

The existence of three independent agencies to deal with one problem results in duplication of records and the useless expenditure of effort, time and money. Instead of the agents of three bureaus interviewing a disabled man on three occasions, one

visit by one Government agent should suffice to adjudicate all his claims against the Government.

The nation, as well as Congress, is aroused, and the difficulties that confront the ex-service man, disabled in service, are now well known. The President, Mr. Warren G. Harding, appointed a committee to study this problem and embodied the recommendations of his committee in his first message to Congress as follows:

The committee has recommended, and I convey the recommendations to you with cordial approval, that all the Government agencies looking to the welfare of the ex-service men should be placed under one directing head, so that the welfare of these disabled saviors of our civilization and freedom may have the most efficient direction. It may be well to make such an official the director general of service of war veterans, and place under his direction all hospitalization, vocational training, war insurance, rehabilitation, and all pensions.

The American Legion has brought this great problem to Congress. In the final analysis it is the duty of Congress to determine how these agencies may be decentralized and coordinated.

The Legion criticizes no one of the departments more than another. We have come to Congress with the governmental agencies concerned to offer our services in perfecting a plan of reorganization that will promptly and adequately provide for our disabled comrades.

I prepared, Mr. Chairman, our analysis of H. R. 3, which I submitted to you, and took up the resolutions of the first and second conventions of The American Legion, and in a communication pointed out those things that I considered were not fully covered in your bill. Do you want me to speak upon those?

Mr. SWEET. Yes; I would like to have you go over it and make such suggestions as you deem proper.

Mr. TAYLOR. For instance, resolutions of our first national convention at Minneapolis provided that term or war-time insurance be made payable in a lump sum as is provided for converted insurance. You have not mentioned that in your bill at all.

Mr. RAYBURN. I did not get that.

Mr. TAYLOR. That term or war-time insurance be made payable in a lump sum as is provided for converted insurance. At the present time the converted insurance is payable at the death of the beneficiary. Of course, the term or war-time insurance has never been payable otherwise than in installments.

Mr. RAYBURN. That is a matter we had up several times, and I would like to hear some argument. I have never heard any yet that convinced me. I have heard some suggestion that that would be a wise thing so far as the soldier himself is concerned, and his family. I don't know about that so much. It is important, it seems to me, and I think you will agree with me, that these men convert this insurance at as early a date as possible. Don't you think that?

Mr. TAYLOR. My thought has always been that the term insurance should be extended. It is the most reasonable insurance, and I find personally that a great many men who are now paying \$7.50 or \$8 a month for their term insurance and can afford it, in order to convert it would be obliged to pay \$20 or \$25 or \$30 a month for converted insurance, and so they will immediately drop it, and it has always been my thought that this term insurance should be continued.

Mr. RAYBURN. How long?

Mr. TAYLOR. Indefinitely.

Mr. RAYBURN. The experience of all insurance companies has been that they have found that it is cheap insurance for the young man, but the most expensive insurance for the older men. Its gets so expensive, if it runs over a period of years, that nobody cares to carry term insurance. Therefore, after this man adds ten years to his age, the amount then of his converted insurance jumps tremendously high, and it seems to me when that time comes he drops the insurance entirely. And that is our thought in never including this in it, because every man who has been before this committee who was an insurance expert has advised against it; and that is why it was originally put in the act that it must be converted within five years. They have advised that it was the best for the insured that inducements be placed before him to convert it at the earliest date possible. He will not carry term insurance, because it gets so high that he can not, and every year that he puts off converting it adds to the amount that he will have to pay on the converted insurance. For that reason we have always thought that it would be to the interests of the soldier to have it kept at this for five years, say, and within that time he must convert this insurance. I must say that I have not yet heard any argument that has convinced me that it is not in the interest of the insured that he convert it at the earliest date possible. You take a young fellow of 21 or 22 years old, and term insurance is the cheapest that he can carry. But it is valueless; it is valuable as provided for in this bill. But you add 10 years to his age, and see what his term insurance will cost him, or add 20 years to his age, and see what it will cost him—it will cost him still more. That is exactly the reason why these fraternal insurance companies go out of business as soon as the beneficiaries get old enough to die off.

Mr. TAYLOR. I grant you that. The war-risk insurance is and always has been paid by the men. It was brought into existence to do away with, or forestall, a tremendous pension system. I think that was the idea in the back of the minds of the Members of Congress when the war-risk insurance bill was enacted. Since the risk becomes no greater, why could not some fixed amount, say, \$7 or \$7.10, at the age of 30 or 35 years, be fixed for these ex-service men, and let them continue their insurance at that nominal premium, and let them continue it just as long as they care to continue it, so that when they eventually die their beneficiaries will receive what they originally intended them to receive, and so do away with this pension system? Make it, say, \$7, and let the men continue their insurance so long as they will continue it.

Mr. RAYBURN. But it was hoped to make it a practical insurance. You can not make it that way with that kind of a proposition. You destroy all your actuarial proposition when you go to putting a flat rate on this term insurance.

Mr. TAYLOR. You mean that the hazards increase yearly, and that the cost would be so great in an ordinary insurance company that they could not do business?

Mr. RAYBURN. Yes.

Mr. TAYLOR. I grant you that. But this insurance is primarily governmental insurance for the benefit of soldiers, and it would be in the nature of a benefit to them and would relieve the Government from a possible future pension system which they would be paying for, the Government would be paying for, in this very small way.

Mr. RAYBURN. I know; but it is just a question of a pension one way or the other.

Mr. TAYLOR. No; the man is paying for it.

Mr. RAYBURN. He is not paying what it is worth, if he is carrying it. I might say that the original idea of war-risk insurance was simply to add to the benefit of what we called pensions, and which we call compensations in this act. In other words, we were taking the men out of civil life and putting them into a hazardous employment—

Mr. TAYLOR (interposing). But they were paying for it.

Mr. RAYBURN. Wait a minute. I am telling you why we put the insurance language in this act. The Government went into industry and to the farms, and everywhere else, and took these men whether they wanted to go or not, and thereby we took away their insurability. In other words, we took away their commercial insurability, and we insured them for \$7 or \$8 a month when, under an old-line insurance policy, it would have cost them probably \$57. In other words, the Government said, "We are putting you in this hazardous business, and the Government will take the risk." In other words, it was put in as an added benefit to the service men.

Mr. TAYLOR. And with no contemplation that it would make the Government afterwards pay pensions?

Mr. RAYBURN. There might have been a thought of that kind, but I doubt it very much.

Mr. TAYLOR. I have heard it often expressed.

Mr. RAYBURN. It is a possibility, of course, but when 30 per cent or 40 per cent take the insurance and the others do not—

Mr. TAYLOR (interposing). More than 40 per cent took it in the original instance; 70 per cent took it.

Mr. RAYBURN. I understand that, but how many have it now?

Mr. TAYLOR. Thirteen per cent; but if it was a reasonable amount and if it would not amount up to so much per month, I wager you that many of them would reinstate their insurance. In the Army they did not pay it; it was taken out of their wages, whatever the amount was, was taken out of their wages of \$30 a month. They signed up for the insurance, but they never paid a penny. When they returned to this country they received a notice that they owed two or three or four months, which would probably amount to \$30, at \$7.50 a month. You can not get these boys to see that, because these boys do not know anything about insurance.

Mr. RAYBURN. If they had been out of the war, they would not have taken it.

Mr. TAYLOR. I grant you that.

Mr. RAYBURN. But I am not arguing with you about that. I am saying what I think is the best for the soldier, and you are saying what you think is the best. I have never been convinced that it is not the best for the soldier not to place a limit of time within which he must convert his insurance.

Mr. TAYLOR. All right; although that was not what we started out to deal with. It was whether it should be paid in a lump sum, or over a period of 20 years, as the law now provides. And the beneficiaries feel strongly that they are perfectly competent to take care of their money, and that it should be paid in a lump sum, as provided in term insurance.

Mr. RAYBURN. Do you think the insurance for a man who died, or was killed in the war, should be paid in a lump sum? The same principle is involved.

Mr. TAYLOR. Yes; I think so.

Mr. RAYBURN. You think so?

Mr. TAYLOR. Yes; I think the beneficiaries are perfectly competent to take care of their insurance.

Mr. RAYBURN. That is not the history of insurance. The history of insurance is that they dissipate it in two or three years. That is especially true of the boy who died in the service, if he was the support of his mother, and she is now getting \$57.50 a month; if she should get it all in a lump sum, somebody is likely to get it away from her. Don't you think it is better to pay it over a period of 20 years, at \$57.50 a month, and not run the risk of somebody getting it away from her? I believe you are the first man I have ever heard to advocate that for the soldiers who were killed in the war that the insurance should be paid in a lump sum.

Mr. TAYLOR. No; we have advocated that right along, that the term insurance should be paid in a lump sum, and leave it to Congress whether for those who died in the service it should be paid in a lump sum or not.

Mr. RAYBURN. I understand; but you are advocating that it should be paid in a lump sum, that which has already accrued.

Mr. TAYLOR. If one is entitled to it, I should say they ought all to be entitled to it.

Mr. RAYBURN. The same condition does not exist with reference to the man who is now out of the service to look after his wife or mother, or family, as it would to the man who was killed in the war.

Mr. TAYLOR. I grant you that. That is simply up to the committee.

Mr. RAYBURN. All of it is up to Congress, but I wanted your ideas about it.

Mr. TAYLOR. Those are the things our two conventions went strongly on record concerning, that it should be paid in a lump sum.

Mr. SWEET. Those recommendations may be made a part of the record, if you desire.

Mr. TAYLOR. Yes: I should like to have them in the record.

(The recommendations referred to are here printed in full, as follows:)

APRIL 16, 1921.

Hon. BURTON E. SWEET,

House of Representatives, Washington, D. C.

MY DEAR MR. SWEET: Acting upon the instructions of the national commander, we have prepared the following recommendations and suggestions relative to your bill and in line with the resolutions adopted by our first and second national conventions:

The first convention of the American Legion, held in Minneapolis, Minn., passed certain resolutions proposing amendments to the war risk insurance act.

H. R. 3 does not carry out all the resolutions of the first national convention of the American Legion, therefore, we desire to make the following suggestions:

1. That term or war-time insurance be made payable in a lump sum as is provided for converted insurance.

2. To eliminate all restrictions as to the class of permitted beneficiaries, both for term and converted insurance.

3. That Congress and the Secretary of the Treasury be requested to make an actuarial ascertainment of the true cost of converted insurance so as to determine what dividends will be payable upon converted insurance and to determine whether or not it is feasible to reduce the cost of the said converted insurance.

SECOND NATIONAL CONVENTION.

We find that H. R. 3 does not carry into effect certain resolutions of the second national convention held in Cleveland, Ohio, and therefore we make the following suggestions:

1. That those beneficiaries of the Bureau of War Risk Insurance, that require an attendant, be allowed, in addition to their regular compensation, the sum of \$100 per month. The law now allows \$20 per month to carry this resolution into effect. The war-risk insurance act should be amended to read \$100 per month instead of \$20 per month for an attendant.

2. That the privilege of carrying term or war-time insurance be extended indefinitely.

CONCLUSIONS AND RECOMMENDATIONS.

Section 7, line 4, after the word "education" add ", and the United States Public Health Service."

Section 14 provides that the director is hereby authorized to make rules and regulations as may be deemed necessary in order to promote good conduct on the part of those men who are patients and beneficiaries of the veterans' bureau and provides certain penalties for misconduct which run as high as three-fourths of the monthly compensation for a period of three months. This committee is willing to concede that in all Public Health Service hospitals there are men who will not follow the instructions and the guidance of authorized and competent physicians, but this committee is of the opinion that the above provision, if it became a law, might very easily work a hardship upon those men who were mentally disturbed or of a low mentality. At the present time the medical authorities in charge of these hospitals discharge men frequently for unseemly conduct, and it is, therefore, not absolutely necessary that this section be carried in the bill.

Section 16 provides that the director of the veterans' bureau be authorized to prescribe such rules and regulations as he may deem necessary to the end that beneficiaries of the Bureau of War Risk Insurance in hospitals may allot compensation for the benefit of such person or persons as the claimant may direct. It also provides that in case no allotment of compensation is made, the director may hold and invest three-fourths of the inmate's monthly compensation. This committee is not of the opinion that this section is necessary, except in the cases of those men who are mentally incapacitated and have been declared so by a competent court.

Section 16, like section 14, gives to the director of the veterans' bureau a great amount of power and supervisory care of inmates of hospitals. Sections 14 and 16 provide that the director may make certain rules and regulations. In promulgating these rules and regulations undoubtedly a tendency will grow to develop a similar idea which is now carried out by the War Department and called the Articles of War. This committee is not of the opinion that discharged disabled men in receipt of hospitalization from the Government should be subject to such stringent rules and regulations as may tend to make hospitalization similar to Army service.

Section 17, amending section 19 of the war-risk insurance act, provided a certain procedure for the adjudicating of claims against persons who have been overpaid by the bureau, these claims involving less than \$400. The bill is now very long and contains a great number of sections, and therefore this committee takes the liberty of suggesting that this clause might well be struck out. This committee is also of the opinion that sufficient authority is given to the director of the veterans' bureau, under section 2 of H. R. 3, to prescribe the procedure in the settling of these claims against beneficiaries of the bureau where the amount is less than \$400. The Committee on Interstate and Foreign Commerce, after the hearings on the original Wason bill in 1919, refused to report this clause in the bill to the House.

Section 19 amends section 305 of the War Risk Insurance Act and provides that the bureau "may end or diminish the compensation upon its own volition." Resolution No. 4, passed by the second national convention of the American Legion, provides that "hereafter the amount of compensation which has been awarded an ex-service person, or his or her beneficiary or beneficiaries, be not reduced without first giving to such person or persons notice of the intention so to do and full opportunity to be heard in their behalf." This committee, therefore, suggests that section 19, amending section 305, be struck out.

Section 21 was carried in the original Wason bill, which failed to become a law, and carried out specific resolutions of both national conventions. This committee suggests that in line 16, after the word "term" that the following be inserted ", and converted."

Section 23, amending section 29, of the original War Risk Insurance Act, provides that certain persons being enemy aliens, conscientious objectors, deserters, or guilty of mutiny, treason, or spying or any offenses involving moral turpitude, or willful and persistent misconduct shall be denied and barred from receiving compensation and insurance. This committee suggests that the words "willful and persistent misconduct" be struck out. Many mental cases could easily be considered guilty of willful and persistent misconduct and it is thought that the wording involving "moral turpitude" is sufficient to cover the ground.

A disabled man endeavors now to adjudicate with the three different departments of the Government his claims on account of disability incurred in service. Heretofore Congress has had three committees preparing legislation to remedy the deplorable conditions which exist in the Government's care for the disabled.

H. R. 3 provides for the consolidation of the three governmental agencies. It carries into effect consolidation and also the Wason bill which did not become a law during the last session, and it also carries further amendments to the War Risk Insurance Act prepared by the Director of the Bureau of War Risk Insurance.

This committee makes the suggestion that in some manner legislation providing further amendments to the act creating a Federal Board for Vocational Education be carried in this bill. The Committee on Education of the House has this legislation in charge and might well report its bill as an amendment to H. R. 3. There are also pending before the Committee on Public Buildings and Grounds several bills designed to perfect and maintain a permanent building program for hospitals. There are several sections in H. R. 3 which refer to hospitalization. The Committee on Public Buildings and Grounds might well add its program for hospitalization to H. R. 3 as amendments.

This would in effect provide an omnibus bill. One bill in the House of Representatives would suffice to cover all the recommendations of the American Legion and could easily be considered and passed in one legislative day.

With my kind personal regards, I beg to remain,
Most cordially, yours,

JOHN THOMAS TAYLOR,
Vice Chairman National Legislative Committee.

Mr. TAYLOR. I will like to call now on Col. Abel Davis, of the hospitalization committee.

Mr. SWEET. We will hear him.

STATEMENT OF COL. ABEL DAVIS, HOSPITALIZATION COMMITTEE, AMERICAN LEGION.

Mr. DAVIS. Mr. Chairman and gentlemen of the committee, I have made such study of the bill as leads me to believe it represents to a certain extent the ideas of the American Legion, as it contains provisions for the unified and decentralized service for the ex-service men.

A few moments might be given to a discussion generally of the paragraphs or sections to see specifically if we are meeting on a common ground. This so-called Dawes committee, after spending some time in discussing a name to be given to this new agency—and I was present in the committee and listened to some of the discussions on that point—and the sentiment or opinion was that the past service might have suffered from the name "bureau," and the committee decided that they would prefer to call it an administration instead of a bureau, since it is a more dignified name, and the agency would absorb all of the bureaus which have existed heretofore. And if this committee should desire to substitute for the word "bureau" the word "administration"—be it veterans' administration, or rehabilitation administration, or whatever the name, it seems to me it would give it a new start. We could not talk in more discouraging terms about the bureaus of the past, without at the same time reflecting upon this new agency.

The bill further provides that the powers and duties pertaining to the office of the Director of War Risk Insurance Bureau shall be transferred to the director of this bureau to be created, and that the office of the director of the Bureau of War Risk Insurance is to be abolished; and that the powers and duties pertaining to the office of the Director of the Rehabilitation Division of the Federal Board for Vocational Education, as set forth in the vocational rehabilitation act, are to be transferred to this bureau, and that the office of the Director of the Rehabilitation Division of the Federal Board for Vocational Education is abolished.

In line 14, on page 2, there is a provision that there shall be included on the technical staff of the director a medical advisor. The Bureau of War Risk Insurance has had a medical advisor, and I take it for that reason mention is made of it in the new draft. The term "medical advisor," as well as the functions of that officer, have been responsible for a great deal of friction and dissatisfaction. The question is: How far may this man go? May he only advise, or within his own sphere have certain authority?

I think it is well to bear in mind that 75 or 80 per cent of the work which this new bureau, or new administration, will have to do will be in the matter of hospitalization, or administration to and for soldiers. In other words, it is well for us to bear in mind that a medical man of standing will have to do a great portion of the work. And my suggestion is, taking cognizance of the facts as they have existed, that we ought to have a medical man who not only has the power to advise, but power to act. He ought to be an assistant director, and I think that is the best thought of everybody who has considered it; I think the best thought of everybody is agreed to that. He should be given certain authority. The activities of Dr. Emerson, the present advisor, are not to be questioned. My suggestion is that the following change be made so that line 14 will read:

"That there shall be included on the administrative and technical staff of the director an assistant director and medical advisor," or "an assistant director, who shall be medical advisor."

My thought is, as long as the law is dealing with one of the main features of the administration of that office, and recognized as such, that the man who is in that office should be an assistant director. That is the thought, not only of the medical men, but the heads of the bureau, as well as our men, who have tried to make a study of the situation from our viewpoint.

Mr. SWEET. I may say, Colonel, as we view that provision, there is nothing in it which will prevent the director of the new bureau from organizing the medical division just as he sees fit, and to vest each of the parties so appointed with the requisite power to carry out the provisions of the act and administer the law.

Mr. DAVIS. Congressman Sweet, I have noticed in the draft of the bill you have given the director very broad powers in the organization of his bureau. But I am viewing this from the standpoint of the men who have to interpret the act, and that it may be construed to have limitations. If he was appointed merely as a medical man, I realize they may construe that as a limitation of the general powers which you are conferring in the bill.

The next point to which I would like to call attention arises from the reading of section 4. We have been talking a great deal about

bringing about the existence of a unified agency, and in bringing about the existence of that unified agency we have all realized the necessity of bringing about the utilization of the present agencies; we were not going to be a wrecking crew, but rather a force to put together all the things that exist now for this purpose—to put them together, and to give sufficient powers for the proper functioning under proper agencies.

The one agency that has given us all considerable concern—and I remember in the Sixty-sixth Congress, you made some remark about that—was the utilizing of the facilities of the United States Public Health Service.

Now, the United States Public Health Service has grown and developed a field of activity in the Government which hasn't anything to do with the rehabilitation of the soldier, and we are all very anxious, as I know Congress is, not to affect the United States Public Health Service in the other work it is doing outside of the hospitalization of the ex-service men. In results the United States Public Health Service has not done a good job in treating the ex-service men, and yet we believe that to the extent that the United States Public Health Service now has hospital facilities which have been built for the treatment, or changed for the treatment of ex-service men, to that extent its service should be preserved in the United States Public Health Service. Do I make myself clear? We do not believe that it will do the subject of the treatment of the ex-service men any good to extend the facilities of the Public Health Service. We believe that this new agency, this veterans' administration agency, should have direct charge and direct touch with that subject.

Now, we have already tested out for a brief period—during the last 30 days—the idea of taking over the United States Public Health Service personnel, which is a part of the service—to take it into the War Risk Bureau and utilize it, and it is working out very well. I say I am satisfied that the way to unite that service, so far as the Public Health Service is concerned, is to put that service exactly in the same position that we are putting the medical department of the War Department, and the medical department of the Navy. That is, to put the new agency into the position where it can utilize all the facilities of the United States Public Health Service as it is going to utilize the medical department of the War Department and the medical department of the Navy, and stop right there.

In my judgment, it would be a mistake to take over the personnel of the United States Public Health Service and put them into the new agency with the rank and with the staff and with the other things which are now a part of the United States Public Health Service. Section 4 provides that in organizing the new agency you shall take over the personnel, rank, and all that. Do you mean they shall continue to be on that pay roll and yet work for the new agency? If that is the condition, it is all wrong. We may as well benefit by the brief experience which we have already had by reason of the executive order of the Secretary of the Treasury to find out to what extent we can take on the extra personnel which the United States Public Health Service has gathered up since the war. And you realize all the men are temporary; they are not given permanent commissions; and all the men who are in the temporary service are perfectly willing to go into the new service and render their service there. And

so it seems to me we are not doing a whole job if we allow the men to go into the new service and yet be connected with the Public Health Service. Let us cut the Public Health Service out of our thought in connection with this new service, except to the extent that the hospital facilities of the United States Public Health Service are made available for this new service.

I say, in my judgment, section 4 should be redrafted to make that clear. May I read section 4? [Reading:]

That all personnel, facilities, property, and equipment, including leases, contracts and other obligations and instrumentalities in the District of Columbia and elsewhere of the Bureau of War Risk Insurance, of that part of the Public Health Service relating to the examination, hospitalization, convalescent care, and welfare of, and the provision of medical, hospital, dental and surgical treatment and the provision of prosthetic appliances for persons who served in the World War, and are now or may hereafter be patients of the Bureau of War Risk Insurance or of the Federal Board for Vocational Education, Division of Rehabilitation, and of the Rehabilitation Division of the Federal Board for Vocational Education, are hereby transferred to and made a part of the veterans' bureau under the control, management, operation, and supervision of the director, and subject to such change in designation and organization as he may deem necessary in carrying out the provisions of this Act.

Now, if you stop right there you are taking all of these extra men that the United States Public Health Service has taken on whom the director does not want to continue in the service in view of the fact that he has not this work to do, and transferring them to this new service, apparently, under the provision of language not consistent with this act. If you stop there you would accomplish everything you want to accomplish. But you go on and say. [Reading:]

Provided, That all commissioned personnel transferred by this act or hereafter transferred from the United States Public Health Service to the veterans' bureau, and such other personnel as shall be added from time to time when such added personnel is employed for the same purpose and for performing the same or similar duties, shall hold the same rank and grade, shall receive the same pay and allowances, and shall be subject to the same rules for relative rank and promotion as now or hereafter may be provided by law for commissioned personnel of the same rank or grade or performing the same or similar duties, in the United States Public Health Service.

It seems to me that is an error. This new director of the new agency ought not to be tied with any of the regulations or any of the semimilitary organization of the Public Health Service. And I am here to state to you as a man who is proud of his military service, that that particular semimilitary service of the United States Public Health Service has been most injurious to the hospitalization of our men. I can not conceive of anything more detrimental than this semimilitary organization in measuring the compensability of the men, and in determining the right to treatment by the men in the hospitals. The sooner we get away from that, the better. This new man should take over anybody from the Public Health Service that he wants for his new agency, and the United States Public Health Service should be allowed to do what it did prior to the war; subject to the extent of its hospitals it should be allowed to utilize its hospitals for this service.

Mr. SWEET. Along that line, do you think there would be any objection to the personnel of the United States Public Health Service going into the new bureau with that provision out?

Mr. DAVIS. I think they will more readily go in with this out. I would suggest that that same question be asked of Dr. Salmon who will follow me, because he is better acquainted with the men in the medical profession than I am.

All the men who have been taken on in connection with the treatment of the ex-service men have been given these temporary appointments. There is always this contention, how far they may take a man who may be a better man, but take him from civil life and put him in a rank above those who are regular commissioned officers. The criticism has been this, that frequently they could not get the men they wanted, because they would not go to work at the pay provided, and they did not dare give him any higher rank with greater pay, because they could not put a temporary man above a regular man. So that has been our experience, that this matter of personnel and rank is a handicap. And the way I get it is this: They say, "We are perfectly willing to cut loose from this service and go into the new service; we want to know that there is some permanency in our work," and what they would prefer is civil service, the same as the other Government agencies have, but to cut away from the semimilitary service rather than to step on the man above who might be entitled to higher pay. And I am certain I do speak the minds of these men whom the United States Public Health Service has taken on since the war when I say they would rather give up their temporary rating and take their chances with the new bureau, based on their ability to do the work. He would have the same chances, on the theory that he is able to do the work, in the service of which he is then a part.

Mr. SWEET. And the protection which the civil service gives him?

Mr. DAVIS. And the protection which the civil service gives him.

Mr. SWEET. And you think that is sufficient?

Mr. DAVIS. I think that is sufficient. And I have taken the time to talk, not to all of them, but to six or seven of the men; to talk to the men who I thought knew the Public Health Service and knew the value of it to the Government, but they say in this new field or new development they will take their chances away from the rank and the red tape, and all that sort of thing.

The CHAIRMAN (Mr. Winslow). May I ask a question?

Mr. SWEET. Certainly.

The CHAIRMAN. Assuming you can get the doctors who will be satisfied without the rank, you feel that the service itself will, in the long run, be as good under civil service?

Mr. DAVIS. Of course, Congressman, you are really going beyond the question that is under discussion. You have asked this question of a man who has had experience with all that service. I was at one time responsible for an office with 200 or 300 men under me without civil service. I ran it to the satisfaction, I thought, of the public. And then it was put under civil service, with the exception of myself, and I am satisfied that the efficiency suffered by its going under civil service.

The CHAIRMAN. By going under civil service?

Mr. DAVIS. By going under civil service the efficiency suffered. But I am also satisfied that without civil service occasions arise where favoritism affects efficiency to even a greater extent than the handicap of civil service. So between the two evils, I would say we are driven to the necessity of having something in the nature of civil service to protect a man from favoritism who is willing to give his best efforts and his lifetime in the service of the Government.

The CHAIRMAN. What line of work was the work you refer to?

Mr. DAVIS. It was registrar of titles in Cook County, Ill.

The CHAIRMAN. That takes clerks to do that work?

Mr. DAVIS. Yes; and some lawyers—a good many lawyers.

The CHAIRMAN. But not specialized men like you would expect to get to start this new organization?

Mr. DAVIS. Well, my answer to the questions—your questions deal with the question of civil service—there have always been those who were willing to stand for civil service who wanted to exempt professional service, and doctors were among them. And still, in connection with the administration of our State hospitals and in connection with the administration of our country hospitals, I personally have observed that with civil service on the statute books they have been able to get highly efficient medical representatives to serve, and furthermore, that the quality of the service is important, since some of these medical men have been under civil service—

The CHAIRMAN (interposing). Could you answer the specific question as to whether or not in your judgment, in the long run, the medical work of this department would be or would not be as well administered under civil service as without?

Mr. DAVIS. The specific answer to the question as applied to this situation is that we will be better off under the administration of the civil service protecting the doctors that are going into that new governmental agency.

Mr. LEA. Do you think that these hospitals should be run by contract with the veterans' bureau, for instance, or contracts with the other agencies of the Government?

Mr. DAVIS. You mean in connection with the United States Public Health Service?

Mr. LEA. In connection with the care of the soldiers, where the veterans' bureau makes contracts for hospital service with other agencies of the Government?

Mr. DAVIS. Absolutely.

Mr. LEA. And then with private parties also?

Mr. DAVIS. Yes, sir.

Mr. LEA. Then as to new hospitals that will be required to carry on this new work, would you favor requiring that service by contract also?

Mr. DAVIS. The Treasury Department, of which this agency is made a part, would be the one which would have the responsibility and the duty of expending the appropriations made by Congress in the erection of hospitals. The Treasury Department would then determine whether it would build that particular hospital and let the United States Public Health Service run that hospital under its supervision or whether it would have the personnel on hand at that time to put into that hospital and take the hospital directly under the head of this new director. The main point about it is that this new bureau under the supervision of the Treasury Department would have direct responsibility for the expenditure and the management of all the new institutions to be erected and all the relations with the United States Public Health Service or anyone else would be purely contractual.

Mr. LEA. Would you be in favor of the veterans' bureau directly managing that hospital?

Mr. DAVIS. I would say not all hospitals which are now in existence. We have had a number of conferences with members of the medical profession on that subject. Here is the best thought, that they would establish certain standards of medical service requirements and then utilize the hospital facilities, such as the Public Health Service, the War Department and the Navy Department, and State and county hospitals and private hospitals and the knowledge which would come as a result of inspection of all those institutions, would really bring about a situation where we would get the best and highest sort of service from all of them. Unless you do that you fail to utilize to the fullest extent possible your previously existing facilities. To illustrate by an application, if you would allow this new director to take over a hospital now owned by the War Department, if the War Department would say, "We do not need the hospital now, if that was the case, because we have no air corps there now and no aerial camp there now; we have that all empty now and are perfectly willing to let you use it; we can not transfer it to you altogether," there you would start a plan whereby one agency would operate and control all of the hospital facilities now available and you are much better off by allowing the present hospital facilities to be managed and controlled by those agencies of which they are now a part, giving the new director under the supervision of the Secretary of the Treasury the supervision and inspection and use of these hospitals.

Mr. LEA. But as to new hospitals?

Mr. DAVIS. As to new hospitals the new director would arrange that.

Mr. LEA. I meant as to operation.

Mr. DAVIS. If he had the personnel it would be up to him. If after he takes an inventory of the doctors and others on his staff he has the personnel, he will run that hospital himself. He might decide to run one of two hospitals and not the other.

Mr. LEA. It is suggested that if the veterans' bureau should operate a hospital there will be jealousy between that and the hospitals operated by the other.

Mr. DAVIS. If it will be the right sort of jealousy as to which can best do the work, and the power and authority only in one, I think you will bring about a desirable situation. With such jealousies existing as to which shall do the better, and where the authority did not conflict, that sort of jealousy would not hurt.

Mr. SWEET. There is just this thought about the bureau that is to be established, operating hospitals. The hospital question, as I view it, that confronts the country in regard to the veterans of the World War is largely, I might say, temporary. In other words, the demand for hospitalization will increase for some four or five years; it will reach the peak and then it will decline. Of course, there will always be some hospitalization, but in the course of 25 or 30 years it will be much less than it is now. It will gradually grow less. The attention to be given to the veterans of the World War will not be so much a matter of hospitalization as care and treatment in soldier's homes and the like of that, as time advances. Now, then, if these hospitals are put in charge of this particular bureau the time will come when there will not be the urgent necessity for hospitalization. Would it not be better if the hospitals were under the control of the

Public Health Service at all times, and the new bureau would deal wholly with the question of hospitalization in a contractual way:

Mr. DAVIS. I should say that if I were the director of this new agency I would look to the United States Public Health Service to equip with the necessary personnel and to manage the new hospitals which may be erected, and still I would much prefer to leave it to the discretion of this director to see the development of the situation as to which is the better thing to do as the hospital program grows. I certainly would not favor the sort of legislation which would put upon the United States Public Health Service the responsibility of planning a hospital program, erecting new hospitals, and bringing the physical property into being, and my reason for it is that it seems to me as though the Public Health Service has tried that and has failed, and this new agency, rather than the Public Health Service, should be charged with the responsibility of the hospital program, their location, and erection. I do say that the Public Health Service knows how to run a hospital, but they do not seem to have the business head nor the courage to go on and say this is what we are going to do and stick to it and do it and put them up. Only yesterday this sort of situation has arisen which this committee ought to know in connection with framing legislation and fixing responsibility.

In February, 1919, Congress appropriated \$1,500,000 for the erection of a hospital at Dawsonsprings, Ky., for the accommodation of 300 tuberculous patients. Nothing was done about it by the United States Public Health Service, charged with the responsibility of that, until March of 1920. Over a year went by with this terrific demand from all corners for hospital facilities. March, 1920, the work was started. Here we are in May of 1921. I understand that practically all of the appropriation has been expended, seven or eight buildings are up there, and even if completed within a very short time can not be utilized because the power plants and all the other things needed in other parts of the hospitals have not been started at all, and it seems to me that some of the newer hospitals for which an appropriation was made in the last Congress will be up and going before that particular one is started.

As compared with that we have had experience at Johnson City, Tenn., and Marion, Ind., and other places where appropriations were made by Congress for hospitals and we have hospitals which are under occupancy, and the Public Health Service is still vacillating about that particular one for which the money was appropriated in November, 1919. I will say it is possible that it is because the Public Health Service is so organized that it has never had to do that. It is a big thing and it takes an organization for that purpose and it takes foresight and it takes courage.

They did not have this to do in their 150 years' experience and existence prior to the war and they just did not take to this job and that sort of action. It will take an experience that the Public Health Service did not have to plan a hospital and put it into execution.

They do know how to run a hospital when you turn it over to them. They have got the personnel who know how to do that job well and they do their duty in that particular in connection with the solution of this problem.

Mr. WINSLOW. Have you gone into this enough to know why the Public Health Service has been so dilatory?

Mr. DAVIS. I have not gone into the details of it. I do not like to use the words red tape because I realize that administration and government have certain handicaps and certain requirements that private business does not have. I have tried both. It does not have the same advantage because of the laws and because of the necessity of deciding by the head surgeon general of the Public Health Service on every question connected with its activities, which brings about delay.

Mr. WINSLOW. I think I agree with you and if you get the new agency going how would you expect that agency to undertake to set up the plans for the hospitals if appropriations were made?

Mr. DAVIS. Fortunately we have had some experience on that which we might use in connection with our new work. When The American Legion got in touch with the newly appointed Secretary of the Treasury one of the things it presented to him through our national commander was the lack of a hospital program and the lack of a concrete line of action to which everybody might look, and so he took up the matter with the American Medical Association which selected four men and they organized themselves into a committee, now known as the committee of medical consultants, headed by Dr. White, of Pittsburgh, Pa.

This committee did something which the Public Health Service has not done heretofore, although the Public Health Service has not engaged in this program since the armistice. They met in an office and conferred and gave up their other work to help in special lines—insanity, tuberculosis, etc.,—and got three or four other men who were available and sent them out through the country to bring back things to them as to hospital facilities in each section. They have been at work now for about two months, with the result that this morning I heard that they would like an opportunity to come before this committee and state generally what they have done, how much progress they have made, and the results as the basis for carrying out a program of hospitalization for the future. They have actually done the job. They know what the hospital facilities are in every section of the country, whether those are hospitals of the United States Public Health Service, the Navy or War Department, or State or county, and whether there is a necessity for this, that, or the other hospital, in different sections of the country. They began with that appropriation of \$18,600,000 made by Congress to figure where that money ought to be used, and they are getting an actual program to get much more money as needed to carry out their program to completion. They have done all of that in a direct and businesslike method, with conclusions and results, and for the first time in the history of handling the problem of hospitalizing ex-service men this voluntary committee of members of the medical profession will present to Congress and to the Government of our country a concrete plan showing a program of hospitalization.

Mr. WINSLOW. I dare say that is correct, but perhaps I misled you. I understood you to bring out this appropriation of \$1,500,000 as a failure of the Public Health Service to develop the hospitals under that appropriation, as an evidence of the general statement that the Public Health Service did not push through to completion certain plans. My purpose is to find out whether or not that is so,

and with a view to comparing what they have done with the appropriation, with what might be done by a new agency such as this. I ask you, how would that new agency go to work to further the plans to develop a like institution if the authority came to it?

Mr. DAVIS. I am hopeful that the new agency through its new director, working with this committee of medical consultants as a basis, will go right on with a staff of engineers and doctors and confirm their selection of sites, let contracts, and build hospitals and get them up and get them quickly, possibly, where they were not handicapped by traditions and rules and regulations which have accumulated for 150 years in connection with a line of work that has not anything to do with the hospitalizing of veterans of the war.

Mr. WINSLOW. The query in my mind is whether you are on the right track and whether the new board will do it. As I understand you, buildings to be erected under the law as embodied in this bill will have to go to the Supervising Architect, and I would like to know whether that Supervising Architect of the Government has the authority or whether the Public Health Service plans to let the contracts to do that work and spend that appropriation?

Mr. DAVIS. I could not answer that question directly. Perhaps Dr. Salmon could answer it.

Dr. SALMON. That is just the relationship that the Public Health Service bears to the Supervising Architect's Office, compared to the relationship which this committee of hospital consultants bears. The lack of cooperation between the agencies and bureaus located in the same department is incredible. Recently, I saw the proposals made by the Public Health Service for the expenditure of \$18,600,000. Mental hospitals were assigned at \$5,000 a bed. That is, that would have permitted only four new mental hospitals to be developed, and chief of the section of neuropsychiatry is just as familiar as anybody with the cost of buildings of that type. I asked him why that had been put in at \$5,000 a bed. He said that was done by the Supervising Architect; "We have no authority." I said, "You know, of course, that you can build them at \$3,000 a bed for that type of homes. You know that these are plans for hospitals for patients who are going to be there for 20 years." He said, "I do; but we have nothing to do about it." On the other hand, that technical section of neuropsychiatry in the Public Health Service began preparing plans of its own, very carefully prepared plans for hospitals for continued care, to submit finally for these new hospitals, and then within a few weeks the Supervising Architect said he prepared the plans without a single consultation with those men who are engaged in the different States in caring for these diseases. Our whole study of disease has changed in the 20 years that I have been interested in mental diseases.

Mr. WINSLOW. Assuming the inquiry is for the purpose of determining whether or not the Public Health Service has been at fault in the matter of this particular appropriation, do you chance to know whether the plans have been put into their hands by the Supervising Architect?

Dr. SALMON. Yes, sir; I have been so informed.

Mr. WINSLOW. So that they can review them and proceed to finish them?

Dr. SALMON. The plans were useless for the practical purpose of operating these hospitals. They were provided by men who knew nothing of the requirements.

Mr. WINSLOW. Even so, you can not hold the Public Health Service responsible for the law under which they must work?

Dr. SALMON. No; I do not think they are responsible. I think it is the evil of the law and the precedents.

Mr. WINSLOW. If, then, they are not responsible for that condition and that condition exists, why bring up this particular case as an evidence of the fact that they are incompetent?

Dr. SALMON. At Dawson Springs I do not think the Public Health Service was to blame for the delay. I think the authority for that ridiculous arrangement whereby the men with technical knowledge have no chance—

Mr. WINSLOW. That may have merit later, but I want to develop that when a department of the Government is being censured that it is only fair, if the premises were not correctly established; that the department shall be put right, because I think they are doing their best, whatever it may be.

Mr. DAVIS. Yes, sir.

Mr. WINSLOW. Perhaps the criticism of the Public Health Service may not be entirely warranted in regard to this particular hospital?

Mr. DAVIS. Yes, sir; to the extent that the Supervising Architect may have contributed to that situation.

Mr. WINSLOW. There are several of the Public Health Service here, and if the chairman is willing, I would like to see the point cleared to find out the real facts as to whether or not the Public Health Service has been hampered by a delay of authority over which they have no control.

Mr. DAVIS. Allow me to make the statement that it is furthest from my mind to say that the Public Health Service is at fault, or to even create the impression that they are careless or neglectful in these delays that resulted. I would not do the Public Health Service an injustice for any delay to which the architect might be a contributing cause of delay, and I am perfectly willing to apologize to the Public Health Service, which aims and tries to get the results, but if the results will not be any better than for the last year, let us try the other way.

Mr. WINSLOW. To make myself clear, would it be possible under this bill as drawn for this new agency to proceed to the erection of plants except under the approval of the Supervising Architect?

Mr. SWEET. I do not think so.

Mr. WINSLOW. They would be handicapped.

Mr. SWEET. In other words, they would be required to utilize agencies now in existence for that purpose.

Mr. WINSLOW. Exactly; and that is what I want to bring out, that Col. Davis in his proposition submits a happy comment on the slowness of the Department of Public Health. He does not provide in his own system any method for making it possible for the new department to work faster. That is the thing to work out.

Mr. DAVIS. The thing to work out is to get somebody, whoever it is—this new director under your bill, who is charged with responsibility—and let him be charged with all these activities of the Government and be responsible for carrying out the hospital program.

Mr. RAYBURN. Not only that; but the new director and the Public Health Service and the Supervising Architect are all under the Secretary of the Treasury, and the Secretary of the Treasury has all of them and may do with them as he pleases under the law.

Mr. DAVIS. That undoubtedly is the solution.

Mr. WINSLOW. It has been the solution right along now.

Mr. RAYBURN. Absolutely; and under the Secretary of the Treasury all the time, all of them.

Mr. DAVIS. May I get along to the other section, under section 6, and I am through. I would like to be certain in my own mind that in authorizing the establishment of regional offices, suboffices, and the like the decentralizing and establishment of regional offices will carry with it the power in the director of allowing a regional director to make awards of compensation in the regional office and pay it there. Now, we have been told many times before that under the laws as they now exist the Bureau of War Risk Insurance can not make payments to beneficiaries through any other office except the office in Washington, and I would want to be very certain that under the operation of section 6, providing for decentralizing, the power is granted to make awards and to make payments in local offices if the director finds it possible or advisable, and I fear that the criticism will be made that we can not let any locality handle so important a case. Of course, the plan of decentralizing awards and payments that way would carry with it as part of the plan the power in the Washington office to supervise and review and change awards made by the local office, the theory being that the award is to be made by final decision in Washington.

Mr. SWEET. The question you present is the disbursement of funds at regional suboffices.

Mr. DAVIS. Yes, sir; with the ultimate power in Washington of reviewing it, or changing it, or reversing it altogether.

In section 9 I would make this suggestion, that where there is an enumeration of agencies for the "hospitalization, medical care, treatment, and convalescent care of beneficiaries of the Veterans' Bureau, the director shall utilize the facilities heretofore and hereafter existing under the United States Public Health Service, the War Department, and the Navy Department."

In that line it seems to me that the word "and" ought to be stricken out after the words "War Department," and after the words "Navy Department" add "and the National Home for Disabled Volunteer Soldiers." With those words it would make certain that the facilities in use to-day are included.

In the same section it occurred to me that there is no reference made to the legal power in the hands of the new department and the new director to make contracts with private institutions. In section 9 there is a specific provision regarding hospitals owned by the Government, the erection of hospitals on sites acquired by Government agencies and Government hospitals owned and controlled by States, counties, and municipalities. There is no reference to private hospitals, and possibly as long as there is an enumeration of power it might be argued that by inference the director shall have power to make contracts with private hospitals and private interests. He ought to have that power and actually it will be essential to do that.

Mr. SWEET. Subdivision 6 of section 11 of the Sweet bill, I will say, provides that in addition to the compensation provided for the injured person the United States shall furnish reasonable governmental medical, surgical, and hospital services.

Mr. DAVIS. In the last session.

Mr. SWEET. Yes. That law, of course, has been transferred to this bureau, and at the present time the Bureau of War Risk Insurance is actually doing that, and all that law has been transferred.

Mr. DAVIS. That is taken care of.

Mr. SWEET. Yes.

Mr. DAVIS. My final suggestion is that in case there were any difficulties at all in Congress that it might be well to separate this big thing of consolidation and unification and decentralizing from the minor details of administration of the insurance section. I do not know whether it is advisable to have that all hooked up in one bill.

Mr. SWEET. You are thoroughly in accord with the purposes of this bill, are you?

Mr. DAVIS. Yes, indeed. I think it is a step in the proper direction. I thank you very much, gentlemen.

STATEMENT OF DR. THOMAS W. SALMON, MEMBER NATIONAL HOSPITALIZATION COMMITTEE, AMERICAN LEGION.

Mr. SWEET. State your present position and who you represent.

Dr. SALMON. I am a member of the National Hospitalization Committee of the American Legion. I have been vastly interested in the hospitalization and medical care of soldiers ever since my service in the Army, and especially in the care of mental cases which now constitute about one-third of all the men under treatment, and who if their disorders are not dealt with, will constitute not less than 50 per cent in a few years.

I want to speak only of the medical aspects of the question, because I am not informed about the others, and I do claim a certain amount of knowledge about the medical aspects, because I devoted myself almost entirely in the last two years to visiting these hospitals and to see the patients brought to me by their friends and relatives, many of them being my patients when I was in France while I was in the Army.

There is just one point which I think we should face with utmost frankness, because if it is not faced a great injustice will be done to the disabled man on the one hand and to the governmental agency on the other. That is the impression which has spread lately that the conditions about soldier relief are due a great deal to the soldier himself and to excessive demands which the soldier makes, and that it is typical, and not exceptional, for the man in the hospitals to be dissatisfied, perpetually resistant to discipline, that they are chiefly concerned with the question of compensation and extracting more from the Government than they are getting. I visited hospitals in 26 different States and talked with service men and their relatives. I think exactly the opposite is the fact. The percentage of restless, unsatisfied men among the soldiers is no more than the percentage among the doctors, lawyers, or barkeepers, or motor-car drivers, or anybody else. They represent a section of humanity taken and put into war; they did not leave their vices behind and did not acquire

a brand new virtue in the service. There is a feeling which has found its expression with public papers and in discussion that the soldiers are coming upon the Government for treatment in such overwhelming numbers that it is an almost impossible task to provide for them. To-day there are just 25,637 soldiers in hospitals at the expense of the Government, in any kind of hospital, Government hospital, State hospital, contract, and private. That means that the State of Massachusetts, because of the survivors of the World War, will have about that proportion of its population in hospitals. There are only 25,000 in hospitals two years after the war. If we compare that with the number of sick in any other group of the population, we will see that the majority of the sick soldiers are to-day maintaining themselves without making any calls for relief on the Government whatever.

Mr. SWEET. In that connection, how many ex-service men have received hospitalization up to the present time?

Dr. SALMON. I have not the figures with me. I think it is upwards of 100,000, many of them for a few days for diagnostic purposes only, so that the rating would determine that condition not at the request of the soldier necessarily. A man comes in with a disorder and the examining doctor says "We can not decide on that until you have gone to the hospital and had the Wassermann or some other certain test," for instance. A large proportion of the hospitalization is involuntary as far as the soldier himself is concerned.

Mr. SWEET. What would you say as to the average length of time that each soldier has been hospitalized?

Dr. SALMON. I think the average length of time has been very much greater than it might have been, because of the great amount of administration and not strictly medical matters which had to be adjusted, and he remained in the hospital while it was being done.

Mr. SWEET. How long a time, in your judgment, does the average patient remain in the hospital and then go out cured?

Dr. SALMON. I think the average period of treatment except with tuberculosis and mental diseases has been well under 60 days. A great deal of that could be shortened by more authority in the respective localities for dealing with the men there, on account of making a man wait in the hospital for transfer or for pay because there is not sufficient authority for the transfer there. They can wait in the hospitals for operations. A very common form of injury is the destruction of one of the nerves from shell shock or wound. Or take the case of a cataract, waiting for the time to come for a cataract operation may be weeks or years coming—when the time comes that a man has reached that stage. Many times a man is kept in the hospital in order that he might be kept for observation. It is difficult to keep them in out-patient observation and it is better that the man should be close at hand where the case can be studied.

Mr. SWEET. Twenty-five years from now, what will be the situation as to hospitalization, in your judgment?

Dr. SALMON. I think that 25 years from now we will be just about the beginning of the change of ages of these men, and I believe more than 60 per cent of the men receiving hospitalization then will be mental cases because of the long duration of those cases and because of the fact that about 50 per cent of them fail to recover under the best possible care. Then of the number of men who go into a tuberculosis life a certain amount of impairment is due to the lungs and

they can not get well and can not die. They may remain a long time, not disabled, but requiring supervision.

Mr. SWEET. In order that we might get it clearly in the record, how many, in your judgment, in 25 or 30 years from now, will be receiving hospitalization as the result of the World War?

Dr. SALMON. I do not feel that I would be justified in more than hazarding a guess except that the mental cases and those 30,000 of survivors now in hospitals actually disabled will give us the number of survivors out of the 4,000,000 men, during that period. It is possible that well within that time a different kind of hospital will be desirable, not nearly as expensive as those at the present time, and bring about recovery.

Mr. SWEET. By that time it will be care and treatment.

Dr. SALMON. It is more the infirmary type and less hospital care, approaching the care in soldiers' homes, in from 10 to 15 years, when many of the men will want not hospital buildings, but for the most part barracks.

Mr. SWEET. The hospitalization matter is my question.

Dr. SALMON. Yes; I think we should not lose sight of the fact that the amount of this residual population depends on what we do now, and if we allow curable insanity and tuberculosis to become chronic we may have to put many times more money out in dealing with them than by curing them now. We have lost in that connection two of the most valuable years. There are men to-day who can not recover because of the resulting fixation of their disease which has been due to lack of hospital provision.

Mr. SWEET. Let me call your attention to this phase of the situation: Congress appropriated \$46,000,000 for the purpose of taking care of these soldiers to the end of the fiscal year 1921. Under that provision of law the director of the bureau had the right to go into the various communities and contract with States and counties and municipalities and with private individuals to take care of the ex-service men, to furnish them medical and surgical care and hospitalization. Now, then, is there not a duty, too, that falls upon the communities where these soldiers live to cooperate with the War Risk Insurance Bureau to furnish them buildings and places to take care of these boys?

Dr. SALMON. I think there is.

Mr. SWEET. Is not that the important question before us, rather than to embark on a great hospitalization plan? In other words, it will require at least some five or six years to build these hospitals. At the present time the patients, the beneficiaries of the bureau who need hospitalization, are increasing at the rate of 1,000 per month. Now, the important proposition, it seems to me, is to go into these communities and get their cooperation, and have the War Risk Insurance Bureau, which has the disbursement of funds, procure these facilities. Is that true?

Dr. SALMON. Yes, sir; if it had not been for the cooperation of the communities these men would have lost what little chance they have had. The communities have done it, not the Government. I think we all realize to-day that the majority of the men are not in Government hospitals. They are in community hospitals, and no community is hospitalized up to its civil needs. Building of hospitals stopped in 1916—stopped short—while their own population has gone on and

increased. There were not beds for these men. Go into any of the great hospitals—for instance, Wards Island, in New York—and you will see there the civil insane sleeping on floors and in the day rooms and in the dining rooms. There is an awful shortage, and they must take the buildings they have got. God knows the communities have done that without exception, and taken in soldiers in all places on the basis of maintaining them and have displaced their own people. There is bitter complaint to-day that the wandering soldier in California has taken the bed that the sister of the California soldier can not find room to get. That situation has been canvassed; the hospitals have been canvassed personally by me and are giving the maximum of their facilities, and will continue to give as long as there is some arrangement for the Government doing its share.

I believe that hospitalization is a Government problem that should be pushed with war-time speed. It is a war emergency and the hospitals should be speeded with the rapidity demanded in war times. The time has come to push through this thing and build these hospitals in the way those things were built in war times. The emergency is just as great if we fail to cure the man and he fails to recover from tuberculosis because we fail to provide the facilities to comfortably house him.

The time has come to finish the hospitalization program and to get busy and go to the next thing. I do not think the next thing can be embarked on until we have done something for our hospitalization program. That \$18,600,000 could be expended, every dollar of it. We have planned for 7,000 insane soldiers at St. Elizabeths. That has been suggested. Newspapers in Washington advocate it. Just think of taking a man from Duluth, El Paso, or Milwaukee out of his mother's arms and putting him at St. Elizabeths because the Washington Chamber of Commerce decided that is the thing to do and cheaper. That is a fine way to stir the people. Many of these men who are insane appreciate their condition and what they need. Those are the propositions of local real estate men who see an opportunity in it. I think we ought to dismiss those things and get at the main problem.

Mr. RAYBURN. Why can not the Secretary of the Treasury call in the Public Health and the Supervising Architect and say, Get together and let us go to building hospitals. It looks to me as though that is the thing to be done now, as these are under the Secretary of the Treasury, to get them in and decide on it.

Dr. SALMON. That is what he is doing with the hospital and consultation committee. These committees study their equipment and their capacity, to decide on these things. Dr. White, of St. Elizabeths, says the 7,000-bed plan looks fine. At Walter Reed they say it is the right thing to do. Others say it is the wrong thing to do, and somebody independent of these bureaus should decide these things.

Mr. RAYBURN. What ought to be done is, when this money is provided it ought to be expended for that purpose.

Dr. SALMON. By a man who is over and independent of the bureaus, who is selfishly or unselfishly seeking to build up every one of them.

Mr. RAYBURN. It is no use for anybody to come before the committee and say that the Government Supervising Architect has the

say so. When they decide what ought to be done the Secretary of the Treasury should go ahead and see that it is done.

Dr. SALMON. Putting the burden on Congress is unfair.

Mr. RAYBURN. Theirs is the responsibility when they have the money.

Mr. SWEET. In confirmation of what Mr. Rayburn has said, I call your attention to the Langley bill which provides that all the above-mentioned works shall be under the direction and supervision of the Secretary of the Treasury.

Dr. SALMON. Those hospitals are going on at a different rate than the one at Dawsonsprings, because there is a chance to work there rather than delaying on some authority.

I just want to speak on this question of the men in hospitals before I finish because it is an important thing. One man out of 200 discharged from the service is sick, while with the Metropolitan Insurance Co. 1 person out of 50 is at home sick. That is the rate with these men who have had the burden of war. They are not crowding on the Government for hospitalization. They are staying in their homes, mental cases, sitting by their fireside because they will not go to the local charitable institution. In some States the local charitable institutions are good. In some there are chronic incurable insane. They are in the same locality with their family. These men are not crowding down on the Government in such numbers that they can not be cared for. Speaking of the number of men in hospitals for insanity or tuberculosis, there are 7,500 out of the 25,000 who have other diseases than those two, suffering from gas and other wounds.

We hear about the necessity for discipline in these hospitals. If there is a necessity for discipline in these hospitals, it will not be accomplished by remilitarizing them over. If we create a professional class of ex-soldiers in this country who have a different type of obligation and a different type of control, we create a problem bigger than that of hospitalization. The thing to do is to regard these men as responsible young Americans. If an ex-soldier insults a nurse or commits a dereliction, he is amenable under the civil law just as a man is at Bellevue Hospital. He does not need pseudo-military control. The Government is entitled to withdraw his compensation and to have him go from that hospital to seek his own care. If he is not responsible, that is entirely different.

Mr. SWEET. You are in accord with House bill 3?

Dr. SALMON. I am not in accord with any plan to extend the Articles of War to cover those men who went into the war to end it, to put them under special disabilities. I visited a hospital where a man had insulted a nurse and the soldiers requested the officer in charge for permission to investigate the case personally, and they conducted their examination in a small room, and loud sounds were heard. In a little while the man came out and said that he would like to have the chance to apologize. In that way they can be self-supporting Americans. Those things are sporadic, not important, and still they may easily be given an importance which will influence Congress in making provision for hospitals.

Just one further word. I think Gen. Davis's proposition to change the wording of the act as it relates to absorbing the personnel of the

Public Health Service is extremely sound. I do not think any success can be had in this consolidation if the Public Health Service personnel, and I speak of its permanent personnel, is taken over and put in the control of any other branch of the Government. The individuals who work with the Public Health Service may be taken over as they are now. Two years ago all the doctors connected with the soldiers were Public Health Service men. Now, there are 94 in the Bureau of War Risk engaged in it up to the last few days. There are a larger number of local examiners at the district offices. Some men prefer to remain with the Public Health Service as reserve officers rather than to work in a civil-service capacity. For years to come the Public Health Service can absorb all those men and more to carry out the hospital program. I do not think we need concern ourselves with changing engines. The majority of these men are content to keep on with their work. We have one great advantage, that more part time men can be employed, more men who are distinctly specialists in different lines and whose work is needed now as never before and who will not work full time under the permanent Government service. They can not give up hospital and teaching obligations to that extent. I think there are lots of efficient men who would rather stay with the Public Health Service.

STATEMENT OF COL. F. W. GALBRAITH, JR., NATIONAL COMMANDER OF THE AMERICAN LEGION.

Mr. GALBRAITH. Mr. Chairman and members of the committee, we have come into an emergency on the question of the care and treatment of disabled men, which has been facing us for some considerable time, and which we must relieve. The American Legion has made a most careful and conscientious study of the situation. We have the facts. They have been presented to Members of Congress and we have expressed our beliefs, either instructed by the convention or as the result of our investigations before you and your committee. We have no desire to criticise the bureaus which have in the past attempted to function for the care of the disabled. There were certain conditions which surrounded them, restrictions which made it impossible for them to function as perhaps they desired. We do not wish now to criticise the Public Health Service for delays incidental to building hospitals or any other particular thing. That is water over the mill. It has gone by. What we now desire is to meet the emergency in an adequate way, in a legislative way, so that the consolidation which we believe is absolutely fundamental may be effected at the very earliest possible date. We recognize that no legislation enacted will be perfect, but we do believe that this particular bill, H. R. No. 3, answers and solves the question with certain additions and subtractions as well as anything we can expect. So we are here to give you the benefit of our judgment and experience on certain portions of the bill.

The name veterans' bureau, while the presidential committee recommended veteran administration, was because it was contemplated then that it should be directly under the President; it makes no difference, the words "veterans' bureau," if it is to be a bureau, while it would not be quite as satisfactory from the mere name as

administration, that is not important. In the bill as it stands I listened to Mr. Lamkin, who brought out the question of inserting there the vocational education or vocational training. It seems to me that is desirable. It seems to have been left out whether by omission or intent. On page 2, lines 14 and 15, I have tried to ascertain what vocational placement actually means, but I have never been able to get any satisfactory answer as to what vocational placement means. It is vocational training. That seems to be the thing we want, continuous operation of training, and placement follows.

On the question of administration restrictions, it seems to me that all administrative restrictions, so far as it is possible, should be stricken from the bill. That applies to the medical adviser. Whether that man should be an assistant director is a mere matter for the man who is operating this bureau, and in whom Congress must have confidence, and to rest responsibility upon him that he can place on some one else to secure results.

I have no remarks on sections 2 or 3. In section 4 it seems to me that we have another matter that is material in lines 14, 15, 16, and 17, because it places the management, control, operation, and supervision under the Secretary of the Treasury, delegating it to the director or Assistant Secretary. I am of the distinct opinion that the bureau should not operate hospitals. I think that for any new hospitals that are built under section 4, there is authority enough. It has been clearly stated that under it the Secretary of the Treasury is responsible for the Public Health Service, for this new bureau, and for the Supervising Architect, that he can simply say that hospitals shall be erected under plans made by competent people, and that when built they shall be operated by the Public Health Service. In other words, he can say that or that they shall be operated by the bureau. But it seems to me that if this bill provided that it should be one or the other we would be putting on a restriction which in the course of a few years might have to be changed, whereas it is now in the hands of the Secretary of the Treasury. It seems to me that is the safe place to put it.

I agree with Dr. Salmon absolutely on the question of removing from line 18 on page 4 to and including line 3 on page 5. I believe that you will get more value from the eminent men of this country who are now becoming interested in the problem, and I may say to you, Mr. Chairman and members of the committee, that I think the reason that they are becoming interested is because the matter has been taken up with the medical societies and the most eminent medical men in the country by the Secretary of the Treasury and by the Public Health Service in cooperation with the Legion. We urged upon them to do that thing because the value of these men's opinions in the service is incalculable, and these men will give part time and give it gladly, whereas they would not think of entering into any service of the Government on full time, and they would not go under civil service.

Mr. SWEET. In your judgment, this proviso to section 4 should not appear in the bill?

Mr. GALBRAITH. Yes, sir. Section 5, I have no suggestions. On section 6, it seems to me that while it is a restriction in restricting it to 14 regional officers, it may be all right, because it provides that the

subofficers may have the same authority, yet it is just a restriction. Mr. Chairman. Take the great State of New York. Take district No. 2 as that stands, Connecticut, New York, and New Jersey, and yet there is only one regional office there. I have talked with a great many men who say there certainly ought to be three—two, anyway. Some men say four. So we have that.

It is really a restriction, yet at the same time it provides for sub-offices, and if it could be removed it would seem as though it would be better.

Mr. SWEET. Your opinion in connection with that is that it is a matter which should be left entirely to the director of the bureau as to where the suboffices should be located?

Mr. GALBRAITH. Yes, sir; and how many there should be.

Mr. SWEET. And how many there should be.

Mr. GALBRAITH. Yes, sir; so that he may have 14 or more regional offices and such suboffices as in his opinion may be necessary from time to time.

On page 6, again, I agree with Mr. Lamkin on the awarding of vocational training. I think that was Mr. Lamkin's suggestion, award vocational training as well as other service.

In section 9 it seems to me that the addition of vocational training in there and where we speak on line 24 of the War Department, the Navy Department, to add "and such other agencies as may be available," taking in not alone the soldier himself, but there may be other agencies which are available and which if the law restricts them would not be.

I agree thoroughly with the committee which directed the writing of section 14. It is true that probably 95 per cent or 98 per cent of the men in hospitals are good citizens and want to get well and want the other fellow to get well. It is true that there seems to be some who perhaps are not altogether there and who have no regard either for themselves or for some one else, and that where those cases come up, if this is administered from the heart and the head and always giving the man the benefit of the doubt, that same method of treating with it would be desirable.

May I cite a little experience that I had recently. A man from the South wrote me and said, "I have been refused hospitalization, and I want to be perfectly frank. I was refused hospitalization because I had misbehaved. I have learned my lesson, and as God is my judge, I never will do it again, but I am out of luck; I can not get into a hospital; I have been refused admittance." I took it up with the Surgeon General and the case was investigated. I said to them, I do not know about the circumstances, but it does seem to me that with repentance on his part, on account of the attitude he has now, he should be given a chance, regardless of who it is. They investigated it and agreed. He has put that man back in hospital.

That is only one case, Mr. Chairman, but it evidences a desire to do the right thing. The man admitted that he was wrong and is back in hospital and wrote me a most delightful letter. As he expressed it, they had made him a better citizen. Now, the great majority of these men, 98 per cent of them, are good citizens. It may be a few are not altogether straight in their heads.

There are a great many things I might say in connection with specific articles of the bill, some that I have made remarks on, Mr.

Chairman, and we think that the bill has the greatest possibilities for good and that the enactment of this bill after the hearings before this committee will accomplish the things which are absolutely vital and should be passed at the very earliest possible date that it can be reported out of this committee and enacted into law.

I think that covers the situation so far as the American Legion is concerned.

Mr. RAYBURN. I do not know who is to be director of this new bureau, and that does not make any difference, but ever since we enacted the war risk insurance law everybody that I have seen who was responsible for the administration of that law I have told that it was the intent of Congress to deal liberally and do everything that was necessary for these men, for the dependents of the dead ones, and to try to make the ones disabled going concerns again, and that they will never be criticized by Congress for a liberal construction of the law in favor of the man, but they will be criticized severely for any restrictive interpretation of the law; but I do not think that advice to them has ever been taken fully down there, because I have had some cases myself which make me think that they have been giving the men what they said was the law when it was not the law at all.

Mr. GALBRAITH. You are correct. The proof of that is that to-day in the absence of any additional legislation the consolidation of these bureaus is now being effected; and we have been fighting, and God knows it has been a fight for the right, for two years, for this very thing, and yet to-day because of the condition which has been created, with the exposition of the facts in which all of us agree, in the absence of any additional legislation we have the thing which we have all fought for. And when this is in legislation, may I say this to you, gentlemen, speed on speed in passing it, making a saving of lives and the future happiness the difference between a human asset and a human liability, because as soon as this is done we immediately see light; the public mind will react immediately, and I think the people of the United States were never more interested in a subject than they are in this one. They want to see that these men get swift, honest justice to which they are entitled, and we as an organization want to see that. We want to see that it is right from beginning to end, and we will cooperate to that end in every way we can, and, as I said to a very high officer recently when the question of abuses to the Treasury was brought up, "Sir, it is so small that it can wait and very well wait until the great injustice, the greater injustice, to the men who are still suffering is corrected. This bill will correct that.

Mr. SWEET. As far as this committee is concerned, I want to say that I am sure that it will do all it can to expedite the passage of this bill.

Mr. GALBRAITH. I am quite sure of it.

(Thereupon, the subcommittee adjourned until 10 o'clock a. m. Wednesday, May 4, 1921.)

SUBCOMMITTEE OF THE COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Wednesday, May 5, 1921.

The committee met at 10 o'clock a. m., Hon. Burton E. Sweet presiding.

Mr. SWEET. The committee will come to order and we will now continue our hearings on H. R. 3, a bill to establish in the Treasury Department a veteran's bureau and to improve the facilities and service of such bureau, and further to amend and modify the war-risk insurance act.

Congressman Elliott is here this morning and wishes to make a statement.

STATEMENT OF HON. RICHARD N. ELLIOTT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA.

Mr. Chairman and gentlemen of the committee: I have no bills pending before this committee, but there are two things that have been called to my attention that I thought were worth the attention of this committee.

In the first instance I have in my home town two cases where soldiers died with tuberculosis after they had allowed their policies of insurance to lapse.

One is the case of Paul Grant Bennett, a young colored boy, who was an overseas soldier. He was an athlete when he went into the Army and while he was there, he was detailed as a runner on the staff of one of the officers, and while working in that capacity one morning he ran into some gas that was laying out on the grass somewhere and as a result of that he was gassed.

He went on through the war and before he came out he had contracted tuberculosis. His discharge, however, shows that he was in good health when he was discharged, but the evidence of the boys who were with him and the boys who knew him immediately after he was discharged on March 12, 1919, show that he had a hacking cough and that he showed evidences of incipient tuberculosis.

He worked during that summer, and in July of 1919, he allowed his policy of insurance to lapse. And on the 28th day of March, 1920, he died of tuberculosis.

Now, the rule in the Bureau of War Risk Insurance is this, as I understand, which rule they claim is based on the law, that unless you can show permanent and total disability at the time that the policy lapses the policy will not be held in force unless money is paid.

Now, this man, they have shown, contracted his tuberculosis in the Army. It kept getting worse and worse until he died, a year and 16 or 18 days after his discharge.

The bureau has found that he was permanently disabled at the time that he let his policy lapse, but that he was not totally disabled, and consequently there is no relief under the laws that now exist.

The other case is that of a young man by the name of Hughie Franklin York. His discharge shows that he was suffering from tubercular trouble, as I remember, at the time that he was discharged. He lived a little bit longer than the other boy, probably

13 or 14 months from the date of his discharge, and he is not shown to be totally disabled at the time that the policy lapsed.

Now, the matter that would seem to me to need attention is this: That when it can be shown that a man contracted his disease in the Army and was permanently but not totally disabled and died from the disease, he ought not to be compelled, or that his beneficiary ought not to be compelled, to show that he was totally disabled at the time that he allowed this policy to lapse, because his service was the cause of his death. He was suffering from the disease at the time that he allowed his policy to lapse, and anybody who is familiar with the ravages of tuberculosis, knows that when a man is suffering from tuberculosis within six months or within a year of the time that he is to die, he is hardly accountable for some of the things that he would be accountable for if he were in good health.

I think that this is a matter that should receive some attention from the committee, in the amendment of this law.

The other feature—

Mr. SWEET. Now, right there, Mr. Elliott. Did either of these service men ever apply for compensation?

Mr. ELLIOTT. Well, one of these men, the first one that I mentioned, applied about 18 days before his death, and it has been adjudicated that he was entitled to temporary compensation from the time that he was discharged.

Mr. SWEET. That is, you mean temporary total?

Mr. ELLIOTT. I do not think permanent total, but was entitled to compensation all of that time, but the total compensation on payments to the date that he allowed the policy to lapse, but they held that he was entitled to compensation all of this time. There was probably enough money coming to him under this compensation to take care of his policy.

Mr. SWEET. That is the thought I had in mind, during the period when he allowed his policy to lapse.

Mr. ELLIOTT. This boy never received anything but filed his application and died before it was adjusted. At this time there is some money down there that they say that they will pay to an administrator, some \$200 or \$300.

Mr. SWEET. That is accrued compensation?

Mr. ELLIOTT. Accrued compensation. Now, there is not any doubt in the world that the fellow contracted this disease in the service. There isn't any doubt in the world that he died from the effects of the disease about a year and 18 days from the date of his discharge.

Now, the other boy was drawing compensation. He applied and he drew compensation.

Mr. SWEET. Do you know what the rate of compensation was?

Mr. ELLIOTT. I think that he had gotten total temporary disability, and this other fellow was granted total disability for some time prior to his death; but I do not remember the exact number of months at this time, but he was awarded total—

Mr. SWEET. He was awarded total permanent disability at the time that the policy lapsed?

Mr. ELLIOTT. No; if he had—

Mr. SWEET. The beneficiary would receive the insurance money.

Mr. ELLIOTT. Yes. I do not know just exactly how this matter

should be remedied. It ought to be fixed carefully so that the rights of the Government are taken care of and at the same time the rights of some of these people too are preserved, and I simply came before the committee this morning to bring this testimony before the committee for what it is worth.

Mr. SWEET. In other words, your position is simply this, that those young men were suffering from tuberculosis from which they finally died?

Mr. ELLIOTT. Yes.

Mr. SWEET. Consequently from the date of their first rating they should be rated as totally and permanently disabled?

Mr. ELLIOTT. That is the idea.

Mr. SWEET. You may proceed.

Mr. ELLIOTT. The other proposition I had was this——

Mr. RAYBURN. That does not exactly cover the situation, as a matter of physical fact. A man is not permanently disabled, totally and permanently disabled, and permits his policy to lapse while he is partially disabled. Now, what you next require would be to change that rule, so that a man who was partially disabled was insured under his policy?

Mr. ELLIOTT. Well, here is the situation: This may be arranged; there may be a scale in the insurance policy like those in other insurance policies. For instance, I had a case one time like this: A man took out a policy of insurance who lived in Connorsville, Ind. He went down to Coatzacoalcos, Mexico, down on the Gulf, and while he was down there on business he contracted yellow fever and died. All of those policies have a clause in them that if a fellow goes out of certain latitudes without permission of the company that he is ordinarily entitled to such part of the insurance as the premiums he had paid would buy in that latitude, south of the Tropic of Cancer and north of the sixtieth degree of latitude. They scaled that policy down to the amount the premium he had paid would have bought for insurance in that latitude.

Now, here is a suggestion that might be all right, and that is this: That policy might be scaled so that it would give these people some relief and come nearer doing right between the people and the Government than is done now.

Mr. LEA. The principle, as I understand the war risk insurance act, is that when these men went into the Army and received their original insurance the theory was, as I understand, that the Government accepted the responsibility for their policies during the war period.

Mr. ELLIOTT. Yes.

Mr. LEA. Your men suffered and died from a cause due to the war, and it is a different condition from that where death is due to other causes, and consequently the fundamental purpose of the act was for the Government to accept that responsibility during the war.

Mr. RAYBURN. Not if he did not take the policy and keep it up.

Mr. LEA. Well, he shows along there, and it is reasonable to assume, that the lapse in this case and cases of this kind was due to that insurance. I think that is a fact in many cases. I happen to know of a case of that kind where a young man losing his earning capacity got in ill health and run down and was not able to pay for the policy and while in that condition died.

We might make this observation: That the insurance is a contract, while the compensation is really a gratuity.

But it is based on the original peace-time rates, the Government assuming the risk that would result from the war. The rates are based on those conditions.

Mr. SWEET. That is true.

Mr. RAYBURN. With the insurance, if he took it and paid the premiums, but if he did not take the insurance and keep it up at the peace-time rates, not.

Mr. LEA. True.

Mr. ELLIOTT. But here is a case where a young man was in the service, and while in that service he was gassed and then contracted tuberculosis.

Mr. LEA. The cause of the eventual liability, if any, occurred while he was in the service, while he was insured and in the service.

Mr. ELLIOTT. Yes; and it would seem to me that this is a proposition that should receive some attention from Congress.

Mr. RAYBURN. This fellow had dependents?

Mr. ELLIOTT. He had a brother who paid all expenses of his funeral, and things of that kind, and the brother was made the beneficiary. In the other case the fellow had a widowed mother who was dependent upon him.

Mr. RAYBURN. She might get some kind of compensation.

Mr. ELLIOTT. No; she is not getting anything at this time that I know of. I think she drew some compensation, some money during the war, under that allotment clause of the war-risk act.

Mr. SWEET. I would suggest that the mother is probably entitled to make application for compensation as being dependent upon a deceased soldier.

Mr. RAYBURN. She can get it if she can connect his disability with his service in the Army.

Mr. ELLIOTT. This is the situation in this particular case: It might not appeal to you. But, there might be an instance arise right across the road, there might be another case of the same kind where a man with dependents would have that happen to him.

This is a question of how this matter should be regulated. There are hundreds of cases, I presume, over the country in the same class and it is not a question of taking care of these two cases that are nothing to me in particular, any more than any other case, which might come up in different parts of the country.

Mr. LEA. To make my statement plain, I think that this situation of insurance, so far as the war risk was concerned, was a gift from the Government to the soldiers and they paid nothing for it.

Mr. RAYBURN. I have a case where they took a boy into the Army who was non compos mentis, absolutely. It was an outrage to ever have taken him in. He has been crazy all of his life and he came out of the Army discharged in as good shape as he went in because he was crazy all of the time, and he was afterwards sent to an asylum and died. Now, his folks did not get anything. It is a pitiful case, because his father was crazy and has been crazy all of his life, practically.

The Government committed an outrage, the draft board and the doctors did, by ever inducting this boy into the service. There you are. We are going to have a great many very pitiful special cases, all along, but there has to be a policy. This committee has

tried to make the general law broad enough and liberal enough to cover all cases justifiable and in that way get away from the special acts, and from time to time, the law has been revised, but I doubt if we would be able to write this law and bring it into such form that it will take care of all cases that may appeal to our sympathy.

Mr. ELLIOTT. There might be, and it ought to be amended in such a way that it would take care of these cases where it can be shown that they contracted their disease while they were in the service.

Mr. RAYBURN. Well, they are being taken care of under compensation to-day more liberal than any law we have ever had and their insurance is additional to that.

Mr. ELLIOTT. It might take care of them in some instances and in some of them it does not.

Now, the other matter that I had is just something that has been called to my attention within the last few days, and that is the boys are complaining of the rigidity of the rule of proof of service origin of their disease.

I know of no law that we ever had in this country that required that soldiers prove that their disease was contracted in line of service, except in cases where we had a pension law like the Sells Act. Under the various service pension acts, they have not been required to prove service origin. But, the other day, I received a case from home. A fellow had since the war developed a disease which he said he had contracted in the service, and he has evidence from some of the neighbors and physicians to that effect, but they are insisting that he must have the evidence of somebody who knew him while he was in the service. And they insisted that he would have to prove that, and that he would have to get somebody who was with him in the service to prove that, which he says is next to impossible for him to do, for the reason that he was in some division, where he was among strangers, and they have all scattered to the four winds.

He does not know how to get in touch with them. Everybody admits that the fellow is in a desperate situation. Of course, I do not know anything about it except just what has been put up to me. I have known the man and I thought that while I was talking here I would call your attention to that fact. I do not know that you can help that. The Bureau of War Risk Insurance may be unduly severe in making these proofs. In the early days, they were not inclined to hold the boys down very closely and possibly they received a lot of censure for it, and now the pendulum is swinging to the other side.

I believe that that is all that I have to bring before the committee, and I would be glad if you would give this thing careful consideration, and if you can do anything to help them, you gentlemen have their welfare at heart as much as I have.

Mr. SWEET. We thank you, Mr. Elliott, for your suggestions. They will be given due consideration by the committee.

Mr. ELLIOTT. Thank you.

STATEMENT OF HON. ROY O. WOODRUFF, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN.

Mr. CHAIRMAN. I would like to say just a few words relative to the bill introduced by me in the House as H. R. 5675, entitled "An act to amend and modify the war risk insurance act," as approved December 24, 1919.

You gentlemen have not that before you, I think.

Mr. SWEET. We are familiar with that act, reasonably so.

Mr. WOODRUFF. My bill provides: "If the disabled person is so helpless as to be in constant need of a nurse or attendant, such additional sums shall be paid, but not exceeding \$100 a month, as the director may deem reasonable."

I believe that the law now provides for \$20 a month as additional compensation where a soldier's condition is such that he needs constant care and attention. I think the members of the committee will agree with me that mine is a reasonable amendment to the law. I do not believe anyone can argue that \$20 a month additional money to a man whose condition is such that he needs an attendant constantly is sufficient and adequate, because we all know that this amount can not in any way provide the necessary attention required under the circumstances.

I think you will agree also that the cases where this would apply are comparatively few.

Mr. RAYBURN. Yes; and isn't it true that these people are either in a hospital or that they are at home where some of their home folks are now caring for them?

Mr. WOODRUFF. Oh, yes

Mr. RAYBURN. And that the time that it takes to wait upon a person who is helpless in that way by some member of the family, does not amount to \$120 a month?

Mr. WOODRUFF. Yes; but I do not believe that it is becoming to the Congress to attempt to put the burden of caring for those people upon their relatives instead of the public at large. I think there is an overwhelming public sentiment on the part of the people in this country for that additional compensation, that it be given to the men under those conditions.

Now, there is no man in the world who knows of the physical suffering those soldiers have gone through and go through when they are in that condition, and I do not believe that anything that Congress can do would be too much to compensate them.

Mr. RAYBURN. Well, you could say that if a man got both eyes shot out that \$500 a month would not be too much.

Mr. WOODRUFF. I would say that it would not be too much.

Mr. RAYBURN. That is true, and you would not have yours shot out for a million dollars a month.

Mr. WOODRUFF. No, of course not.

Mr. RAYBURN. But that is just the way we keep on pyramiding these matters. Those matters all appeal to our sympathy, but there has got to be some place where we are going to stop.

Mr. WOODRUFF. Yes; but when we come to that place where we are going to stop, we do not have to stop before we have taken reasonable care of these men.

Mr. RAYBURN. Well, we pay a man with both arms off \$200 a month, and you are going to pay this fellow who is bedridden, \$200 a month?

Mr. WOODRUFF. Yes; for the man who is bedridden is probably as helpless and is undoubtedly suffering to a greater extent than the man with both arms off.

Mr. RAYBURN. What about the reasonableness to the men who got both eyes shot out and both hands shot off? We have got to do something for him.

Mr. WOODRUFF. Well, I would say much the same as the comment you made, that I would not be in that condition for a million dollars a month, but as you say, there has got to be reason in these things, and the present law is not reasonable, from my point of view, and I think my point of view is the point of view of the great majority of the American people. I do not believe that this Congress, or any other Congress, is ever going to be criticised by the people at large, by providing adequately for the men in this condition.

Mr. RAYBURN. Well, do you not think that \$120 a month is adequate to pay a man who is bedridden, when you are only paying a man who has got both eyes out and both hands off \$200 a month?

Mr. WOODRUFF. Yes; that is why I have put in my bill the phrase "as the director may deem reasonable." That gives him discretionary powers and it is presumed it will help to alleviate conditions now existing in a great many cases throughout the country.

Mr. RAYBURN. Of course, that phrase, "As the director may deem reasonable." Of course, when this was passed, why with all of the cases that you have in your district and with the cases that I have in my district, they would have us down there, arguing with the director that \$100 was the only amount that was reasonable.

Mr. WOODRUFF. Well, I will say that it is not for the purpose of giving relief to a case in my district as I know of none there. What I am doing, I am doing in the interest of the men, of all of the men, in the Nation. I am not interested in any particular individual.

I wish the committee could see its way clear to approve of this and so report to the whole committee, and have it report the bill to the Congress, and passed. I think there would be no question about it passing on the floor of the House and I do not believe there would be any question about it passing the Senate, and I do know that if it is passed by the House and the Senate, and approved, that it will be approved by the country.

Now, they recently voted in Michigan on paying all soldiers of the State a bonus. That carried by nearly 300,000 majority in the State of Michigan, which simply goes to show that the people of this country are demanding that the soldiers be given proper care; that they be properly compensated. The people are more vitally interested in the men who were injured, whose service ended in ill health and disability as a result of their service.

I hope that the committee can adopt this bill.

I note that the legion is not agitating so much the bonuses now, as they are agitating the care for the disabled soldiers. They are not saying so much about the bonus, but they want us to do something for the men who were disabled, those who were wounded and are suffering from their wounds and are disabled by disease. Now, I believe you will agree—

Mr. RAYBURN. If we voted a bonus for the soldiers, for the ex-service men, of two or three billion dollars and in that way shock the whole economic fabric, there is no question but what we would be censured for that.

Mr. WOODRUFF. I am not here this morning—

Mr. RAYBURN. Where are we going to get the money to pay the men who are really disabled if we go ahead and do that? I think that practically all of the ex-soldiers in the district which I represent are willing that we shall devote the money, which Congress is willing to vote, to the ex-service men to the ones who are disabled.

Mr. WOODRUFF. I think so. I think that that is the attitude of the ex-service men.

I know they would particularly resent being given a bonus if nothing in the meantime had been done to take care of the disabled men.

Mr. RAYBURN. Of course, all of the compensation under the war risk act of a special nature is for the purpose of taking care of the disabled men.

Mr. WOODRUFF. Yes. I am not arguing for or against a bonus as an entirety, but I know they voted in Michigan for it and that the people are vitally interested in this thing and I think that something should be done to take proper care of these men.

Mr. SWEET. We thank you very much Mr. Woodruff, for your statement.

Mr. WOODRUFF. I thank you very much, gentlemen.

The CHAIRMAN. Now, we will hear from Mr. Marvin Gates Sperry, national president of the Private Soldiers and Sailors Legion of the United States.

Mr. WOODRUFF. I would like to bring up another matter which the gentleman here has just called to my attention. The condition oftentimes exists where a soldier is the sole support of his family and if he is disabled certainly the family, the mother, if a mother is dependent upon him, is not able to go out and earn anything with which to help. She has to give her time and attention to her disabled son. That is true of the wife.

Mr. RAYBURN. If he had insurance, he would get \$177.50 a month.

Mr. WOODRUFF. How do you figure that out?

Mr. RAYBURN. Because, he would get \$57.50 a month insurance and \$120 compensation; that is, if he has insurance.

Mr. WOODRUFF. \$120 compensation, how is that?

Mr. RAYBURN. \$120, yes. If he is totally disabled, he gets \$120 a month. And his insurance amounts to \$57.50 a month, making \$177.50 a month.

Mr. WOODRUFF. It seems to me that that is hardly adequate. Anyway, you gentlemen will give this consideration, and I will leave it with you.

Mr. RAYBURN. We certainly will give what you say for your bill consideration, as we do everybody who comes before us here, and especially you.

Mr. WOODRUFF. I thank you very much, and I shall look forward with much interest to a report of his committee on this question.

STATEMENT OF MARVIN GATES SPERRY, NATIONAL PRESIDENT, PRIVATE SOLDIERS AND SAILORS LEGION, NATIONAL HEADQUARTERS 802-810 F STREET, NW., WASHINGTON, D. C.

Mr. SPERRY. Mr. Chairman and gentlemen of the committee, on behalf of the Private Soldiers and Sailors Legion, I want to express our hearty appreciation of the great work done by Representative Sweet in behalf of the disabled soldiers during the last Congress; and for the great industry and careful effort he has given to the preparation of this bill.

There is one general suggestion I would like to make in reference to this bill. I do this in no spirit of captious criticism. I do it only with a view to enlisting the help of the chairman and the members of the committee in making provision in the bill, if possible, which will prevent the exercise of too wide and arbitrary powers by the bureau and its officials in the matter of making rules which may make unnecessarily difficult and burdensome the task of the poor and disabled soldier in presenting the proof of his claim.

Let the law be so shaped, if possible, that the man disabled in fighting foreign foes shall not be made to feel that it will be necessary for him to fight another long battle with the bureau in order to secure the relief which Congress intends to give him.

The law should lay down the rule of conduct which will make the bureau, in all ways and at all times, the friend and not the foe of the disabled veteran.

The purpose and intent of Congress and of the law is not so much that there is danger that the Government will do too much, but that it will do too little, for our disabled victims of the war. That the danger of the Government doing too little is a real and only too palpable one is clearly and startlingly shown by the exposure of the terrible neglect of the helpless men in the Government hospitals which was made last week by Senator Walsh of Massachusetts.

Let us by this law make the duties and responsibilities of the Government officials who have charge of our disabled veterans' interests so clear and specific that the repetition of these deplorable evils in the hospitals and other branches of the service will never occur again.

It has been suggested here that the name of the bureau should include the word "rehabilitation." I must say that the idea does not impress me favorably. The word smacks of charity and paternalism. The name used in this bill is better without such an addition, and better still is the old name, War Risk Insurance Bureau. Insurance is a good, plain business word. Insurance is something that a man has paid for. It is his property, which belongs to him of right and has no odor of being charity or a gift. The Lord knows the soldiers have paid dearly enough for their insurance, whether it be hospital care, vocational education, or disability payments. Whatever it may be, it is part of their insurance against the hazards of war. It is theirs by right of having been earned and paid for with drudging labor, with hardships and fighting, with sickness, wounds, and death.

I will not attempt to instruct the able and experienced chairman and members of this committee on the technical details of the construction of this bill. I only wish to suggest some broad principles which we private soldiers believe should be incorporated in it. For one thing the hospitals provided by the Government for its sick soldiers should be more like homes and less like prisons and poor houses than they are now.

The pay and hours and working conditions of the hospital staffs, physicians, nurses, and all other employees should be such as will attract the best character of employees and secure the best quality of service—things which the Government is not now getting.

The soldiers suffering from shell shock, mental and nervous diseases should be segregated under the very best possible conditions, not herded with the criminal insane, as they now are in some cases.

For over a year and a half the Private Soldiers and Sailors' Legion have earnestly striven to have such a law passed.

As an aid to the recovery of the sick, good food and well-prepared is a prime necessity which is now grossly neglected.

Let this bill, Mr. Chairman, provide that these things shall be insured to the ex-service men whose rights it is intended to protect, and you will accomplish an immense amount of good and render a service of far-reaching benefit to the ex-service men and to the country.

And finally, while perhaps you may not feel it to be within the scope of this bill, yet there is one kind of insurance which has not yet been provided, but which should be furnished the ex-soldiers either in this bill or in some other one, and that too at the earliest possible date, and that is insurance against enforced idleness and unemployment, which to-day and for months past has afflicted most grievously three or four million men, hundreds of thousands of whom are ex-soldiers.

The gross neglect of the Government to enact legislation to provide in the broadest possible ways against this evil of enforced idleness and unemployment, not only for the ex-service men but for all other citizens, is not only the cause of incalculable loss and hardship and suffering to millions of workers and their dependents, but it is causing a loss at the rate of ten to fifteen billions of dollars per year in wealth to the country.

Yet there are men and corporations in the United States who are deliberately trying to increase the size of the army of the unemployed, in order that they may use it as a gigantic lever to force down the wages of millions of other men and women.

Mr. Chairman, as I have said, your committee may consider that insurance against unemployment can not properly be provided for in the scope of this bill. But it may not be denied that it is in the scope and purview of this committee on Interstate Commerce. And I hope the members of this subcommittee will urge upon their colleagues of the full committee on Interstate Commerce, the vital need for action on this subject of unemployment. For it is a dead certainty that the existence of this army of three or four millions of unemployed is one of the things that is killing interstate commerce and helping to bring ruin upon the railroads and many other lines of trade and commerce.

Mr. Chairman, I wish to now yield the floor to our Counsel, Mr. W. Bissell Thomas, a member of the Private Soldiers and Sailors' Legion, who is a lawyer, and has given much careful study to the bill and will present certain suggestions which I feel sure will be helpful in making this proposed law a measure of real relief in the fullest sense of the word, for the disabled ex-service men. Mr. Thomas was for two years associate counsel in the War Risk Bureau, and is well acquainted with the inside workings of the bureau. Mr. Thomas is a veteran of both the Spanish War and the World War.

Before closing I want to call attention to the fact that on April 20 I received a letter from F. W. Hurley, a member of the Walla Walla, Wash., local of the Private Soldiers and Sailors' Legion, in which he states "there is much complaint that the old system of long hours prevails in the State hospitals in that State". And that the employees caring for shell shocked and insane soldiers are "compelled

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to be on duty 12 and sometimes 14 hours per day and seven days in the week." He also states that "the hospital service of the United States is now proposing to place a number of our helpless buddies for treatment in the State hospital at Steilacoom, Wash., where these bad conditions prevail and where a number of brutalities have been reported." And he asks that "the Private Soldiers and Sailors Legion protest against placing any more of our boys in the Steilacoom Hospital until the present deplorable conditions have been remedied." I want here to make my protest as strong as I can to this committee and through the committee to the Congress and the executive departments, who are responsible.

Mr. SWEET. Congressman Rogers is here, and I practically agreed with him that as soon as he appeared I would allow him to make his statement, so we will hear Mr. Rogers and then hear Mr. Thomas if that is satisfactory with you.

Mr. SPERRY. Yes, sir. I wish to thank the committee.

Mr. SWEET. We are very much obliged to you, Mr. Sperry.

Mr. Thomas, we will hear from you.

STATEMENT OF MR. W. BISSELL THOMAS, GENERAL COUNSEL AND MEMBER, PRIVATE SOLDIERS AND SAILORS LEGION.

Mr. RAYBURN. I must leave in 10 minutes, and I will ask you to get right to the heart of it.

Mr. THOMAS. Yes, sir. I will be glad to do so. I may tell you that there are only two minor amendments I am going to suggest.

These amendments have grown up as a result of the complications of statutes of limitations and the control act and the transportation act, affecting disabled soldiers, and I wish to point out some of these complications as affecting service men. There is a situation of which you gentlemen could have no possible knowledge, unless you were told by a man who had had practical experience with it. What I am going to suggest is this:

First, I may take a few moments of your time in telling you where we stand upon this question, and what I think it is desirable to do to get out of the situation.

Under section 313 of the war risk act, where a service man is injured under such circumstances as create a legal liability on some person other than the United States to pay damages, as a condition to receiving compensation the claimant must either prosecute his suit for personal injuries himself or must assign his cause of action to the United States, through the director of the Bureau of War Risk Insurance. In other words, to put it in a nutshell, where an agency other than the United States is responsible for the liability of the United States to pay compensation, the agency responsible must be held in damages.

Now, the committee will readily see that in many instances the right to a cause of action is far more valuable than the right to compensation. Where for instance, a service man leaving a child 16 years old, dependent on him, is badly smashed up in a railroad accident, loses both legs and dies, after several months in the hospital. His estate might recover large damages. However, suppose his sole surviving relative is a 16-year-old daughter. She could receive from

the bureau only \$20 a month until she reached the age of 18, so that her right to compensation would be limited to \$480, being \$20 a month for two years until she reached the age of 18, and then she would no longer be entitled to compensation. If she had a right to a cause of action against the company responsible for the injury she might well recover ten or fifteen or twenty thousand dollars. So that in many cases the right to a cause of action is very, very much more valuable than the right to compensation from the Bureau of War Risk Insurance.

I will first direct your attention to the question of statutes of limitation and their application to these causes of action. In many cases, in hundreds of cases, the application was not made to the bureau for compensation in sufficient time to permit an action for damages to be brought before it had been barred by the statute of limitations. As you gentlemen, whom I understand are all lawyers, all know, in many of the States a cause of action for death is barred in one year. Owing to chaotic conditions there were many times in which the bureau was not informed of the death of a man by accident until after the year had expired, and the cause of action was already barred. It was also necessary, very necessary, that the bureau look after these cases. The injured claimant had no opportunity whatever, except with the help of the bureau, of having his action tried. A man from Seattle, Wash., might be injured at a camp at Atlanta, Ga., and one witness be from Maine, and another from Texas. It was a practical impossibility to present a cause of action unless it was done by the Bureau of War Risk Insurance.

Now, I maintained when I was in the bureau as associate counsel, and I still think I am right, that those actions could be brought notwithstanding statutes of limitations. I will not take the committee's time in going into technicalities. However, I was overruled on that proposition. That contention was one of the reasons for my disagreement with the general counsel, to the extent of my leaving the bureau. The general counsel was of the opinion that the statutes of limitation had barred these actions, and he was not going to let anybody in any way question his ruling.

Mr. SWEET. You mean that actions for personal injury were barred?

Mr. THOMAS. Yes. My contention was they were not barred.

Mr. SWEET. Your contention was that the statute of limitations did not apply?

Mr. THOMAS. Yes, sir; and that section 313 gave the director permission to bring such actions at any time after the injury or death. I maintained that that act, in connection with all the other principles that apply to a construction of statutes of limitations, was sufficient to overcome the statute in cases brought pursuant to section 313, in which the Government had an interest. However, I was overruled on that. They were too professionally timid in the legal division to even take a chance on it. They never presented it in court. There was unquestionably a law suit in it, whatever the outcome might be.

This is not a small matter. It involves several million dollars, due to claimants that badly need it, injured men themselves and their dependents, and the dependents of those who are dead. It is not a small matter. It runs into hundreds of cases and millions of dollars.

I am going to advocate that there be included, in order that we do not have to rely on the uncertainty of a judicial decision, in the paragraph of the Sweet bill which amends section 313, section 11, of that bill, I think it is, that actions brought pursuant to this section shall not be barred by any statute of limitations, State or Federal. I am of the very strong opinion that they ought not to be so barred.

Mr. RAYBURN. And do you think they ought not to be?

Mr. THOMAS. I think they ought not to be. If three or four words are added to the present amendment, which is now in the bill, and which is a very necessary amendment as it stands, there can be no question about the matter. We would not have to leave it to the uncertainty of a judicial determination. That is one point.

The other point involves accidents growing out of railroad control. I can best give you the situation there, in justice to the service men under present circumstances, by citing an actual instance.

A soldier was coming home on a furlough on the New York Central Railroad, and sitting with him in the same seat was his brother, who was not in the service. There was a collision in which the soldier's collar bone was broken, his arm broken in two places, and I think three ribs were broken. He was very badly smashed up. He was in the Government hospital, being in the Army at the time, for several months. I think it was more than a year before he recovered entirely. However, he did recover practically entirely, so that the only damage he now feels is stiffness of the joints, natural with a disability of that kind. He is a salesman, and his earning capacity has not been damaged at all. He is absolutely precluded under the complications arising under the control act and transportation act and orders of the Director General of the Railroads, from recovering anything, either compensation from the bureau, or damages from the railroad. His brother, who sat beside him, who was not half as badly injured as he, who was a civilian, was paid \$2,500 in settlement of his claim by the railroad.

For the reason that one of these men was a soldier, and for the sole reason that he was a soldier, he was cut off from any possible chance of ever being compensated for his injuries or his pain and suffering. That, of course, is unfair, and neither this committee, nor Congress, nor any patriotic American citizen favors such a condition, such a discrimination against a soldier solely because he was a soldier.

Mr. RAYBURN. I suggest that you submit your amendment in writing.

Mr. THOMAS. Yes; I will do so.

For the record, on that very point, I want to call the attention of the committee to Circular No. 4 of the United States Railroad Administration, Division of Law, issued October 25, 1918. I will not take the time of the committee to read it, but it was a circular directed to all claim agents and attorneys of the railroads during Federal control.

Mr. SWEET. That circular may be made a part of the record. (The document referred to is here printed in full, as follows:)

UNITED STATES RAILROAD ADMINISTRATION,
DIVISION OF LAW,
Washington, October 25, 1918.

Circular No. 4.

Attention is directed to the act of Congress entitled "An act to amend an act entitled 'An act to authorize the establishment of a Bureau of War Risk Insurance'

in the Treasury Department,' approved September 2, 1914, and for other purposes," approved October 6, 1917, public document No. 90, Sixty-fifth Congress (H. R. 5723).

This act establishes a system for compensating officers and enlisted men and women nurses of the Army and Navy Nurse Corps, when employed in active service under the War or Navy Departments of the Government.

In case of railroad accidents, in order to avoid confusion and to effectuate a proper and uniform handling of the compensation claims of such injured and disabled persons who are entitled to receive compensation under the war risk act, upon the happening of any accident causing death, disablement, or of injury to any officer, enlisted man, or member of the Army or Navy Nurse Corps (female), occurring on any line of railroad under Federal control, the general solicitor will immediately notify J. H. Howard, manager, claims and property protection section, division of law, Southern Railroad Building, Washington, D. C., giving the name and emergency address of the dead or injured person, his or her number, rank, and routing, and in the case of injured persons his or her present address.

Such injured officers and enlisted men and members of the Army and Navy Nurse Corps (female) will be remitted to their claim for compensation through the War Risk Bureau and will not receive any payment through the Railroad Administration.

No claims for damages for injuries occasioning death or disablement of such persons should be recognized or entertained. The circumstances surrounding accidents should be investigated as heretofore and report filed.

The general solicitor will notify general claim agents of this circular, who will in turn notify all claim agents.

JOHN BARTON PAYNE,
General Counsel.

Approved.

W. G. McANOO.
Director General of Railroads.

Mr. THOMAS. That circular was based on the proposition that while the railroads were under Government control they were the Government. In other words, that when a man was damaged on a railroad during the time the railroads were under Government control, no person other than the United States was liable to pay damages therefor, and for that reason no cause of action existed under section 313.

Mr. SWEET. In other words, while they were in the service, while the railroads were under Government control, they said that their remedy was through the War Risk Insurance Bureau for compensation for disability?

Mr. THOMAS. The sole remedy.

Mr. SWEET. For any disability which had been incurred by an enlisted man while in the service.

Mr. THOMAS. Yes; the sole remedy.

Mr. SWEET. The sole remedy.

Mr. THOMAS. Without any right of action against the railroad, either the Director General or the railroad company as a company?

My stand on that proposition was another reason for my disagreement with the general counsel, and another reason for my leaving the bureau. I do not believe that circular was good in law, nor that the courts would have sustained any such position.

Mr. SWEET. In other words, if an ex-service man should travel on a train with his brother, who had never been in the employ of the Government in any way, to-day they would have equal rights, but during the period of Federal control of railroads and while he was a member of the Army and traveling, in that event the proposition you are presenting to us would apply.

Mr. THOMAS. That is it exactly, yes, sir.

Now, this circular has been sustained in principle by the United States Circuit Court of Appeals for the eighth circuit in a case practically on all fours, although the claimant in that case was a mail carrier entitled to compensation from the Civil Employees' Com-

pensation Bureau, which has practically the same statute as our 313; that is, it provides that where a person other than the United States is liable to pay damages for an injury, the civil employee must sign the cause of action or bring the suit in his own name, just the same as a soldier must do in the Bureau of War Risk. I will not take the time to read these cases, but I would like to call your attention to them.

Mr. SWEET. Give the title of the case and the page and volume for the record.

Mr. THOMAS. Hines *v.* Dahn (267 Fed., 105). In the same connection, Mardis *v.* Hines (267 Fed., 171).

The last case held that order No. 50 of the Director General of Railroads, to the effect that the director general alone was to be sued and the company not joined, is sustained. The court holds that there is no liability on the part of the carrier company, but only liability on the part of the director general.

Mr. SWEET. If I remember correctly, Mr. Thomas, the various courts throughout the country that have passed upon order No. 50 have not all held alike.

Mr. THOMAS. No; they have not.

Mr. SWEET. Some have stated in their opinion that the Director General of Railroads had no authority to issue order No. 50.

Mr. THOMAS. Yes, sir.

Mr. SWEET. That such an order was in defiance of the original act by which the railways were transferred to government control. In this particular decision I believe you state that order No. 50 was held valid.

Mr. THOMAS. Was sustained; yes, sir. The holding valid of order No. 50, if that is going to be the final outcome of the question, will mean, of course, that only the United States are liable to pay damages, and then under section 313 the soldier will have no cause of action at all, because no one other than the United States will be liable to pay damages for the injury. That certainly is a serious question, and, gentlemen, I can not say too emphatically and too seriously how large a question it is. It is not a matter of one or two cases. It is a matter of millions of dollars.

Mr. SWEET. How many claimants would you say are interested?

Mr. THOMAS. In round numbers I would say 1,500. And potential judgments—of course, one must always guess in figuring in advance the amount of personal-injury judgments, but the potential judgments run away into the millions.

Mr. SWEET. When you refer to "potential judgments" you mean judgments against the railway companies under Federal control do you not?

Mr. THOMAS. Yes, sir. To further complicate the matter the Railroad Administration has been sustained, or in a measure sustained by the transportation act, which was adopted after the war risk act and after the control act, and which appropriated a revolving fund, appropriated by the Government for the purpose of paying these judgments. Now the director general can say, "Of course, I was right in issuing circular No. 4. The Government admits its liability and makes an appropriation to pay it, and there can be no question that no person other than the United States is liable in these cases." Do I make myself clear?

Mr. SWEET. You do.

Mr. THOMAS. That, of course, led to a situation which is extremely unfair. There is certainly no reason why, because a man was in the service, he should be cut out of rights which the man not in the service admittedly has always had, for damages arising entirely aside from his military acts, and entirely distinct from the danger he assumed as a soldier—a mere civil part of his soldier's life, if I may so express it. I am quite sure that neither the committee nor Congress, nor anyone who understands the situation, would approve of such a thing. It is a difficult situation to get action on, because it is highly technical, and people will not take an interest in professional technicalities. If the matter is a broad thing that they can see at a glance, they will look into it. But this particular technicality is depriving service men of millions of dollars, which civilians in like position are able to recover, and it is extremely unfair and, of course, ought not to be allowed.

Mr. SWEET. Have you an amendment prepared to submit?

Mr. THOMAS. I have not with me, Mr. Chairman. However, I think I can state it in substance. It should not be a defense to any such action, any action brought under the provisions of this section—

Mr. SWEET (interposing). So we may have the matter completely before us, I wish you would, immediately after this meeting, prepare an amendment or amendments applicable to this bill, and let them be a part of the hearing, and get them to the secretary of the committee as soon as possible.

Mr. THOMAS. I shall be very glad to do that.

(The amendments referred to are here printed in full, as follows:)

No action at law brought pursuant to the provisions of this section (313 of the war-risk insurance act) shall be barred by any statute of limitations, State or Federal; and actions at law for injuries or death inflicted upon any person who or whose dependents might be entitled to compensation under this act, by any carrier, during the period of Federal control of the carrier, may be brought in like manner as other actions, and it shall be no defense thereto that compensation is payable on account of injuries or death by the Bureau of War Risk Insurance, or that the United States is liable therefor.

Mr. LOHRING. Is there any question about our right to revive a remedy that has been barred?

Mr. THOMAS. Not at all, sir. My contention, Mr. Lohring, is that the laws and decisions governing the construction of statutes of limitations are generally in favor of denying the bar of the statute. There is a highly technical situation involved there which I will not take the time of the committee to enlarge upon. Statutes of limitation are very easy statutes to get around. They are in the nature of an order of court, even though they are passed by the legislature. They do not of themselves change the relations of the parties. They do not wipe out the debt. You can not compel a man to plead the statute of limitations. It has to be pleaded if he wishes to avail himself of it. If he refuses to plead it, and rights accrue to him against somebody else on account of a judgment obtained against him, he can enforce those rights just the same. It is a complicated situation, but I am thoroughly satisfied that as a matter of law, statutory and constitutional law, there is nothing in the way of including such an amendment as is proposed into this act.

I hope the committee will bear me a moment or two longer. I worked very hard for two years as associate counsel in the bureau, and I have a fairly intimate knowledge of conditions there.

I was interested in what Mr. Elliott said to-day, and I want to take just a moment of the committee's time to comment on the matters he brought out this morning. You will remember what Mr. Elliott said. He was the first gentleman who spoke. Mr. Sperry, of the Private Soldiers and Sailors Legion very lucidly mentioned the same point.

Mr. LOHRING. That is Mr. Elliott of Indiana?

Mr. THOMAS. The whole question of affording relief, or 99 per cent of the question of affording relief to soldiers or their dependents, must be a question of administration. The Congress can not possibly do more than pass very general laws permitting the Executive to grant this relief, authorizing the granting of it. Now, the question which Mr. Elliot raised to-day is one of the most serious questions involving the matter of affording relief to disabled men, and it is purely a matter of administration. Congress is in no way at fault in not having provided against the ruling which Mr. Elliot mentions.

This is another matter which involves my controversy with the general counsel down there, and another reason why I left the bureau when I did—this very point he raised. In his cases, if you remember, there were men discharged with consumption, with tuberculosis, who afterwards died without ever improving, getting progressively worse, and died. Their insurance had lapsed. They could not get their insurance, because they had not been rated permanently and totally disabled from the time of their discharge. That is purely a question of maladministration of the bureau. The situation is already completely provided for in the law, and the Private Soldiers and Sailors Legion has consistently and persistently demanded a proper construction of that law.

The legal division of the bureau in the past administration has held that total disability means total incapacity. Do I make myself clear on that? They have held that in order to be adjudged totally disabled by the bureau a man must be totally incapacitated.

Mr. SWEET. At the time of the examination?

Mr. THOMAS. At the time of the examination, and that nothing less than that is total disability. It gets us right back to the question I tried to emphasize in the hearings on the Rogers bill that the legal division has made the fundamental mistake of adjudging disability as a medical question, and not as an economic question. Disability is not a medical question at all. It is a question of a decrease in earning capacity. It is an economic question of ability to earn money, and not a medical question, and medical evidence of a man's disability is not the conclusive fact. It is only a part of the evidence of the fact.

Mr. SWEET. Let me see if I understand you. You say it is an economic question. For instance, a man has tuberculosis, and is advised by the doctor that it will not benefit him to work or do anything. In that situation you would say he should be rated as totally and permanently disabled.

Mr. THOMAS. Yes, sir. Not only that, Mr. Sweet. I wrote a brief on this subject in which I briefed every case from the time

disability has ever been before the courts, and they are all one way. Disability is a relative question, depending upon the condition of the man, his occupation, his education, all the surrounding circumstances. The bureau has refused over and over again to take any of those things into consideration. They say disability is what the disability is what the Public Health doctors, alone, who examined the man say it is. They will listen to nothing else. That has been the uniform action of the bureau, and is to-day, or was until the last change was made. I hope there has been a change, or soon will be.

Mr. SWEET. The law specifically says disability relating to civil occupations.

Mr. THOMAS. That is it. Notwithstanding that, the legal division of the bureau has turned it into a medical question.

Mr. SWEET (reading):

The rate shall be based as far as practical upon the average impairment of earning capacity resulting from such injuries in civil occupation, and not upon the impairment of earning capacity in each individual case, so that there shall be no reduction in the rate of compensation for individual success in overcoming the handicap of a permanent injury.

Mr. THOMAS. Now, Mr. Chairman, I want to call your attention at this time to what the legal division of the bureau did in respect to that. They held that "average" meant the average of all men in all occupations, instead of classifying them by occupation. The practical result of that was what? It was this: We will take a case, for instance, of a man who loses a leg. They said a lawyer loses a leg, and he is damaged 20 per cent; a bank clerk loses a leg, and he is damaged 30 per cent; a laborer loses a leg, and he is damaged 100 per cent. We have got 20, 30, and 100, a total of 150 for three men, which divided by three makes an average of 50. A laborer who is damaged 100 per cent gets 50 per cent, that being the average of the disability of losing a leg.

That was the way they handled that, instead of classifying them by occupation. This by way of illustration—it is not an actual example. If that statute means anything to a reasonable man, it means that under no circumstances was the man to get less than his actual, personal percentage of disability, but that if he diminished that by his persistence or his own efforts he was then still to get the average for his occupation, and the fact that he rehabilitated himself was not to work a reduction in his compensation. Of course, that classification should be by occupation.

What should be the damage to a laborer who loses his leg? The average damage to all laborers who lose legs, not the average to laborers, lawyers, bank clerks and stock brokers. It never was the intention of Congress, nor is it the purport of the direct language of that statute, that the laborer who lost a leg should only get half the disability he really suffered—should only recover compensation to the extent of half the disability he suffered, because a lawyer who lost a leg is not damaged as much as a laborer who lost a leg. Those are all questions of administration. If this committee will send for the regulations of the bureau which now govern their operations, it will have all the reasons any one could require to explain

the universal dissatisfaction with the bureau's methods. The bureau has always been very careful to keep them secret.

The attitude of the bureau from the start toward service men has been practically the attitude—and I speak now from first-hand knowledge—of a street railway company dealing with claimants who are claiming damages for personal injuries, keeping everything away from them and making it as troublesome as possible to present their case, and under no circumstances ever to let them know what is the matter with their case, if there is no award. If there is a defect in their proof, if there is any part of the record that needs to be supplied to justify an award, under no circumstances to let them know what that is. The regulations prohibit the examiner who deals directly with the claimant by correspondence from sending out information. I have heard Congress very strongly blamed for having failed to take the necessary action in this matter. It is only natural that it should have been so blamed, but I knew by personal contact with Congressmen, by what Congress had done, that Congress was not only ready but anxious to pass any law that would effectively help the service men, and that no matter what law Congress passed the administration of it has prevented the men from getting their rights.

There is one other question. I will only touch on this for a minute, and ask your permission to prepare a possible amendment to it, if it meets with your approval. It is the insurance question. It is of enough importance to be mentioned.

The war-risk act permits a suit against the United States for insurance in cases where there may be a disallowance by the bureau, not for compensation, but for insurance. Under the Tucker Act, if a man sues the United States for his insurance and gets a judgment he has to wait until Congress appropriates the money to pay that judgment. There should be a word or two added to section 2 of the bill to the effect that where a judgment for insurance is obtained in accordance with the provisions of that section it shall be immediately paid out of the insurance fund by the bureau. Those judgments should be paid immediately out of the insurance fund. I think Congress so contemplated when they gave permission to sue. The legal division of the bureau ruled otherwise.

I thank the committee very much.

Mr. SWEET. Thank you for appearing before us and making this statement and giving us this information.

As far as I am able to state at the present time, this concludes the hearings of the subcommittee, and the committee is adjourned.

(Thereupon, at 12 o'clock noon, the subcommittee adjourned.)

STATEMENT OF HON. JOHN JACOB ROGERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS.

Mr. ROGERS. Mr. Chairman and gentlemen of the committee, I am very glad to comply with the wish of the chairman of the subcommittee that I should appear here this morning and discuss the general question which is presented in the measures before the committee for consideration. I shall not attempt to discuss in detail the measure which I understand the committee plans to draft, because the Committee on Interstate and Foreign Commerce as a whole, and especially this subcommittee, have given a great deal of attention to the question. As late as last January it held hearings

upon a bill which I had introduced, the purpose of which was to accomplish the identical result contemplated by the bill since introduced by Mr. Sweet.

I have pending before the committee two measures. One is H. R. 18 and the other is H. R. 2283. These are simply later editions of the measures which were before this committee in the last Congress. H. R. 2283 is almost identical with the measure on which the committee held hearings on January 7.

I suppose all Members of Congress have very direct and very constant experience with the War Risk Bureau and the Public Health Service and can gain a fairly accurate general impression of the way in which those bureaus are functioning from time to time.

It is without any wish to reflect upon any official or upon the intentions of any official that I say with regret that in the experience of my congressional office, at least, there has been a greater difficulty in the last three months in getting prompt and satisfactory action than there has been at any time since the war-risk law was passed in 1917.

A large part of that difficulty is due to a lack of coordination between the War Risk Bureau and the Public Health Service. A further part of it would, no doubt, continue even if consolidation or coordination were to be made a fact; but a very large part of it is directly attributable to the fact that the three soldier agencies of the Government have never functioned efficiently together.

I brought to this hearing three or four cases which happen to be on my desk and which will illustrate in a general way the necessity for putting through promptly a program of relief.

Here is the case of William Mulholland, who was a veteran of the Twenty-sixth Division and who was wounded and gassed overseas. He was given temporary total disability. Last November, without warning and without just cause, he was reduced to 50 per cent disability. He was unable to work at that time and has been unable to work since.

I have tried, without ceasing, to have temporary total disability restored to him, because I happen to know very intimately the facts of his particular case. This is the sort of difficulty that we have had in trying to get the temporary total disability restored: We asked that the War Risk Insurance Bureau order a new examination. The War Risk Bureau states, and I think states accurately, that on March 5 they ordered a new examination. Time went on, weeks went on, and we were unable to get the report of the examination back from the Public Health Service at Boston.

In April, after having importuned the War Risk Bureau a good many weeks, I went to the bureau and interviewed several leading officials. They said that they had not recent medical report and that the bureau could not act unless it received the report called for on March 5. I asked them to telegraph the Public Health supervisor in Boston and to see what could be done. On April 15 they did telegraph. On April 26 they had received no answer from the telegram of April 15 and so I also telegraphed. This was the reply, dated April 29, to my telegram:

Re telegram 26th referring. William Mulholland, Lowell, Mass. No request March 5. Telegram received April 15. Claimant examined April 20 and 21. Examination report being forwarded to-morrow.

ADAMS, *Acting Supervisor.*

That was three days after my telegram. Yesterday, the report referred to had not come in and while I hope it will come in, there apparently is no assurance that it will be received.

So much for that case. The examination was requested just two months ago. Mulholland who is a man with a wife and children, an honest fellow, who wants to get help, and is entitled to it, has to wait and suffer on account of some one's incompetency.

That duly would have been obviated, that difficulty would have been averted, if it had been possible for somebody in Washington to order somebody to put this thing across. This story of requesting, requesting and of polite messages of inquiry, we are all familiar with. It is utterly discouraging to the men and to everybody.

The men are entitled to quick results. If they are entitled to help, they are entitled to it quickly. They are entitled to a speedy decision, whether it be favorable or unfavorable.

There are many men applying for compensation, as you gentlemen of the subcommittee well know, who are not entitled to compensation. I have no criticism of the War Risk Bureau or of the Public Health Service for rejecting those applications; but I do think that a deserving man, or a man who is not entitled to relief, is warranted in expecting that his case shall be given prompt action by the Government. And, in my judgment, in the Mulholland case, and in other cases to which I could refer, the system is at fault, as well as the administration of the system.

Mr. RAYBURN. Mr. Rogers, what excuse do they give down at the bureau for not ordering these men who represent them up at Boston to make this examination? I have had a lot of trouble along the same line.

Mr. ROGERS. The main difficulty, Mr. Rayburn, is that the Boston supervisor is a representative of the Public Health Service; therefore the War Risk Bureau must "request" him to make the examination. It can not effectively order him to do so.

(At this point in the proceedings a gentleman got up from the back end of the room and made reference to a circular which had been issued by the bureau.)

Mr. ROGERS. That circular was issued some time last summer. It has had no apparent results. The War Risk Bureau is unable to get its orders satisfactorily obeyed by the Public Health man at Boston. The bureau always uses the word "request." It "requests" the Public Health Service to give the case consideration. It claims it is powerless to do more than request and is powerless to do anything until it receives a medical report from the Public Health Service.

Just very briefly, if you please, I have one or two other cases. I have here a letter from the acting supervisor of the Public Health Service with regard to the case of Armond Lemieux.

I desire to acknowledge receipt of your inquiry of April 14 relative to the hospitalization of war-risk insurance claimant Armond Lemieux. This office received a hospital card in the case of Mr. Lemieux, showing his admission to St. Johns Hospital, Lowell, Mass., on February 6, and his discharge on February 28, 1921. This card has been copied, indexed, and forwarded to the Bureau of War Risk Insurance on April 12, 1921.

This Lowell man went to St. Johns Hospital in Lowell on February 6. He was then entitled to temporary total disability, if the service origin of the disability were established. But the card showing his

hospitalization was not sent from the Boston office to Washington until April 12, or an interval of nearly 10 weeks.

The War Risk Bureau would not do anything with regard to the case until the information came. We had been pounding away on the War Risk Bureau and we had been unable to get any results, because the War Risk Bureau had nothing as a basis on which to act. Apparently it did not have any efficient power to issue a binding order.

Here is a third case, of Frank W. Woods, granted hospitalization by the district supervisor at Boston on January 4, 1921. He reported the case to the War Risk Bureau on February 26. There is a lapse of almost two months. This report apparently never reached the War Risk Bureau. A duplicate was forwarded on March 28. There was in interval of three months between the moment the man was hospitalized and the moment the card reach the War Risk Bureau in Washington, which it was necessary to have in hand before the bureau could award temporary total disability.

I happened to find these cases pending in my office and I assume that you have in your offices, gentlemen, every day similar cases. Here is the case of Charles E. Rondeau. The district supervisor at Boston notified the War Risk Bureau that he had requested Rondeau on December 18, 1920; January 7, January 14, and February 2, 1921, to present himself to the Public Health Service doctor at Lowell for examination but that the man had failed to comply.

The actual facts were these: On January 13, 1921, he was operated on in Lowell by the Government doctor, who had been treating him for some weeks. He had been sent to the hospital by this Government physician and remained for several weeks thereafter.

Finally the district supervisor at Boston on February 15, 1921, issued a report that Rondeau had been examined on December 24, 1920. This case is all mixed up. The soldier has had to suffer, for the award, to which he was unquestionably entitled, was delayed for several months.

Mr. RAYBURN. Do you not find that there is more trouble about this, Mr. Rogers: That when some soldier communicates with you, and you take it up with the Bureau of War Risk Insurance, they, instead of asking you, or transmitting through you a request to the soldier to give all the facts, that they will transmit a request through you to the soldier for some fact and then that is transmitted to the bureau and you have got to take about two or three more bites at it before you get all of the information they want? That has been the greatest irritation in my office. You can never satisfy the bureau and they keep on asking for additional facts, when they should have asked for all of them the first time, instead of taking two or three bites at it.

Mr. ROGERS. I have had that experience and it is most irritating; I have failed to allude to it to-day, because it does not seem to me to be involved in this question of consolidation. That seems to be a defect in administration.

And, I think, Mr. Rayburn, you may have had the same experience with the Pension Bureau. For years I have had it. You would receive a series of letters. In one you would be asked for one kind of information and then another letter would come along asking for another kind of information and sometimes a third. It is apparently

one of the characteristics of bureaucracy that they like to take several bites instead of taking one bite.

In speaking of these individual cases, I repeat that they are not extraordinary and extreme, but that they are merely characteristic. In my judgment, things are going from bad to worse. I thought at one time that both the Public Health and War Risk Bureaus were getting on a better basis, but from our experience at least, they have recently gotten on a worse basis than they have been since the beginning, during the last few months.

So far as the Public Health Service is concerned, I think, probably, Boston has been the worst office in the country. They have had in charge several gentlemen there with high motives and perhaps with excellent ability, who nevertheless have been utterly unsuccessful in coping with their problems.

The recent Mellon order, to which reference has just been made, is going to mean a complete readjustment so far as Boston, and I suppose every other central office is concerned. It is quite possible, and we certainly hope, that distinct improvement will permanently result.

The question here is what the nature of legislative improvement should be. There are various theories and there have been various bills introduced embodying the various theories. My own judgment is that the less we disturb existing governmental agencies and yet get the essential results, the better is the solution of the problem. In other words, I very much fear that if we attempt to do what would perhaps be the ideal, if we were starting *de novo* on this problem, we shall so unsettle the existing status that for many months and possibly even permanently we are going to make the estate of the disabled soldier worse than it was before.

In other words, it seems to me that the problem of this committee and of Congress is to do the least that can be done in order to gain the goal and at the same time leave as nearly intact as possible existing governmental agencies.

Mr. SWEET. In other words, take into consideration existing conditions and work from existing conditions to the end that we desire to gain?

Mr. ROGERS. Precisely. That brings us naturally to an inquiry as to what is the single narrow point of difficulty in the present system. And when I use the word "system" I distinguish it from the administration of the system. It seems to me that single narrow difficulty in the present system is two fold.

First, in that before a man can be given compensation he must furnish evidence to the War Risk Bureau which can be procured by him only from another independent bureau of the Government, namely, the Public Health Service. It has always seemed to me that this was fundamental; that it was responsible for most of the delays and most of the vexatious things of our experience as we sought to get compensation for our soldiers; that if we should transfer questions involving physical examination and admission to hospitals of claimants to the War Risk Bureau, we should have gone very far to meet this difficulty.

So that the bill which I have reintroduced in this Congress, H. R. 18, I have tried to compress into four pages or less that fundamental thought; namely, that we ought to take over from the Public Health

Service all questions involving the medical examination of soldiers and their admission to hospitals and transfer them to the War Risk Bureau, leaving the control and conduct of hospitals in the hands of the Public Health Service where it is now. I do not think I should have regarded that as the ideal solution if we had to start from the beginning at this moment. I should think that the control and management of hospitals might well have been in the hands of the War Risk Bureau, or in whatever bureau the administration of the compensation claims themselves come. But as the problem now confronts us I am inclined to believe that this simple change represents the most feasible plan and will result in eliminating reorganization delays which would be terribly detrimental to the soldiers.

I am aware that the American Legion disagrees with this view and is inclined to favor something which is embodied now in Mr. Sweet's bill and is certainly similar to the program projected in H. R. 2283 of my own. I do not wish, if the committee please, to suggest that I think there is only one way. It seems to me that there are several ways of doing it, all of them certain to be an improvement. I am simply trying, as far as I can, to suggest what seems to me to promise the best immediate results; that is, as I say, to take over only such part of the Public Health Service work as now results in obvious and vexatious delays.

The second fundamental thing, as it seems to me, is the question of decentralization. Of course, when these laws were first projected no one could have seen the enormous multiplicities and complexities of the claims involved. It was very natural to put the War Risk Bureau in Washington and make the administration of it a single unit, but I think that the last three years have established pretty conclusively—and I do not believe the committee desires to hear extended testimony on that point—that we must decentralize as well as consolidate.

I think that all of the bills which are now pending before the committee proceed upon this theory, and I should hope and believe that the committee will find it inevitably important that there should be such decentralization. The only question is as to the extent of the decentralization.

There are, then, two elements we must consider. We must take as our major premise importance of consolidation. In my judgment, we must have, for the welfare of the soldiers, such consolidation as will least disturb existing agencies. Second, we must have decentralization.

That is all I care to say, Mr. Chairman.

Mr. SWEET. Thank you very much, Mr. Rogers.

Mr. ROGERS. Thank you very much.

Mr. LEA. You think that the number of regional offices should be limited under this bill?

Mr. ROGERS. I think that they should not be limited under this bill unless it is necessary to get the bill through. In other words, I do not think that Congress can successfully fix the number of offices functioning under the Washington bureau. But I can easily see that there would be objections on the part of men on the floor to giving blanket authority to the director to fix the number of regional offices.

Mr. LEA. Of course, this bill provides for suboffices also, without limitation, except at the discretion of the chief of the bureau.

Mr. ROGERS. And, as I remember, Mr. Sweet's draft limits the number of regional offices to 14.

Mr. SWEET. Not more than 14 regional offices and such suboffices within the territory of the United States and its outlying possessions as may be deemed necessary to carrying out the purposes of the act in taking care of the soldiers, sailors, and marines of the country.

Mr. ROGERS. Of course, a suboffice can pretty nearly be a regional office. It seems to me Mr. Sweet's language perhaps gives all the authority that would be necessary for that purpose.

I do think that it is extremely important that the regional offices be given all of the authority it is possible to give them. In other words, we should insure that the regional offices can pass on the maximum percentage of cases and leave Washington as a clearing house in the minimum number that involve questions of policy or of especial difficulty.

I thank the committee.

Mr. SWEET. Congressman Wason is here, and we will be glad to hear him.

STATEMENT OF HON. EDWARD H. WASON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW HAMPSHIRE.

Mr. WASON. Mr. Chairman and gentlemen of the committee.

Mr. SWEET. One reason for calling on Mr. Wason is because there are several provisions in this bill which were included in what was known as the Wason bill and which, as you remember, passed both Houses during the last Congress.

Mr. WASON. Yes; and I want to take, Mr. Chairman, but a moment of your time, because I was in another office when the telephone rang, and there is little I can add to what has already been said in behalf of my bill and in behalf of other features of the consolidated bill which bears the name of the chairman and is before the committee now.

I have read the bill, which will be known to the committee as Mr. Sweet's bill. Like my neighbor, Mr. Rogers, who just preceded me, I presume if I had been attempting to draw the bill I would have used different language in this place or that place, the same as Mr. Rayburn might have done, used different language in this place or that place, but the principles of the bill and the bill as it is presented I believe, and I am earnest in this statement, that if it can become a law, it will go a long way toward relieving the embarrassing conditions that the American public claims exists to-day with reference to the Government's treatment of disabled soldiers of the World War.

The bill in the main, or as a whole, it seems to me, covers the situation well and completely. The features of it, to my mind, that are of great importance are three features that were in my bill, the regional offices which Mr. Lee has referred to, and I think I originally had 48 in the first draft of the bill that I introduced and then it was cut down to 12; but with the other language used as to suboffices I think the matter will work out just as well as it would to have 48 regional offices, for I do not interpret the language there that a large State in area, like the State of Texas, is necessarily confined to one regional

office, if it should have one, or to one suboffice, if one was established there.

I can see in States with large areas it would be much to the advantage and convenience of the disabled soldier to have the substation or stations, or the regional office, as near his domicile as possible. I have a matter bearing upon that point and upon what my predecessor intimated about the Boston office. That is 40 miles from my home. Two years ago, or about 22 months ago, a young man from my city, who was disabled and is now getting relief from the Bureau of War Risk and the Public Health and has also had vocational training, was advised to go to Boston and see what the Government had to offer for him in his distress. It was in July, if my recollection is right, he went down there; went to the Public Health office first. They sent him to another office in Boston, some little distance away for a disabled man to walk to, and they consulted with him at each of these two places.

He had to wait some time before he could be seen by the official and then he was sent to another office. And he finally went home late in the afternoon because he could not get an audience with the man in charge at the third office and went back the next day, which meant two full trips to Boston from Nashua and return, and two days spent, and after visiting all three Government offices, the young man went home disappointed, disgusted and grieved. He did not know any more about his rights and privileges or what we gentlemen in Congress had done for him by way of legislation than he did when he first started for Boston. The matter was later called to my attention by the Red Cross and he has received his relief after much delay.

Now, then, since that day the three activities are in one room, so to speak, or in one building. That saves him time and inconvenience in moving about in a fair-sized city. But, if 70 miles from Boston there had been one man, or three men, in an office in New Hampshire where this young man could have gone, perhaps somebody there would have known him, or would have known where he could have help in securing relief; they would have known to whom to have referred him and if he had not received relief immediately he would have been satisfied with the manner in which he had been treated, would have had a friend in court, so to speak. The psychology of the situation is something of an advantage to the sick and disabled soldier, according to my mind.

And I believe that we should do everything we can to carry the benefits of our legislation as near to the door of the disabled soldier as possible and consistent with the expenses thereof.

I might say that since this Congress opened and different bills have been introduced, I find in my State that the legion boys are taking a very earnest and appreciative interest in what Congress is doing to relieve their anxiety and suffering by furnishing medical treatment and care of our maimed and disabled men of our last war.

I have here a sample of the indorsements that come to me through the mails. I have quite a number on my desk. I would like to read into the record just a portion of this circular. This comes from the A. T. Mahoney Post, No. 30, American Legion, Lancaster, N. H., and

is signed by the president and secretary of the post. A portion of it reads as follows:

Whereas, with deep consciousness of our debt to the disabled, we wish to express our views and the views of the American Legion in requesting that the legislation proposed be given earnest consideration by Congress: Therefore be it

Resolved, That we hereby indorse the program of legislation asked by the American Legion of the Sixty-seventh Congress in the interest of the disabled soldiers, sailors, and marines of America, and urge upon our Representatives from this district and our Senators from this State the speedy enactment of the five bills introduced: First, legislation consolidating the three service bureaus; second, appropriations for a permanent hospital program—

That does not apply to your bill, as I understand it—

third, legislation decentralizing the Bureau of War Risk Insurance; fourth, legislation to further extend the benefits of vocational training and providing vocational training with pay for all disabled men with disability of 10 per cent or more traceable to the service.

The others relate to retirement pay, which has no bearing before your committee at this time, as I understand it.

I refer to this as showing the interest of the healthy members of the Legion, as well as of citizens generally, in asking this relief.

Now, Mr. Chairman, I do not think that I could add anything by way of explanation to you gentlemen about this bill. You have slept with it, so to speak, for months, especially the chairman, Mr. Sweet, and the gentleman from Texas, Mr. Rayburn, and I think you all know more about the details of it than I do. But I wish to say to you in conclusion that if there is anything I can do to help you, as a subcommittee or your full committee, to expedite this meritorious legislation, in the House or elsewhere, I am at your command, because I believe in it.

Mr. SWEET. Thank you, Mr. Watson, for your statement.

EXHIBIT No. 1.

STATEMENT OF HON. A. E. B. STEPHENS.

*Committee on Interstate and Foreign Commerce,
House of Representatives.*

GENTLEMEN: In the matter of the bill introduced by Mr. Stephens of Ohio to amend an act entitled "An act to amend and modify the war-risk act," approved December 24, 1919, it is the desire to have section 15 of said act amended so that the intention of the act will cover the laws in the State of Ohio.

A case in mind is that of Pvt. Andrew Joseph Kohnes, Nineteenth Company, Fifth Transport Battalion, One hundred and fifty-eighth Depot Brigade, whose home was in Cincinnati, Ohio. He died on the 8th of October, 1918, at Camp Sherman. He was insured for \$10,000 in the War Risk Insurance Bureau. The beneficiary was his mother. His mother was paid \$57.50 per month, but died January 30, 1920. Her death was brought on largely by worry and the grief from the loss of her son. The father, John William Kohnes, of 3029 Perce Avenue, Cincinnati, Ohio, made application to the War Risk Bureau for the transfer of this insurance to himself.

The father, who had worked and reared the boy and needed his services, however, was deprived of this insurance because under the existing law in the State of Ohio it went to the boy's sister, she being the next of kin under the laws of the State of Ohio.

The intention of section 15 is to provide for the parents through this insurance and in fact this is done under the laws of every other State except Ohio. In this State the next of kin would be a brother or sister and not a parent.

This amendment is for the purpose of providing for cases of this kind in the State of Ohio, so as to make the application of the war-risk laws universal in character. This amendment will provide for all such cases and under it a parent will be the beneficiary prior to that of brother or sister.

EXTRACT FROM FATHER'S LETTER.

CINCINNATI, OHIO, December 28, 1920.

Hon. A. E. B. STEPHENS,

DEAR SIR: I write this letter to you in regards to the war-risk insurance:

My son, Pvt. Andrew Joseph Kohnes, died the 8th of October, 1918, at Camp Sherman, a member of Nineteenth Company, Fifth Transport Battalion, One hundred and fifty-eighth Depot Brigade. He was insured for \$10,000 with the war-risk insurance and made it payable to my wife, his mother. The Government paid her \$57.50 per month. My wife died last January 30, 1920, greatly brought on by the loss of our son. After everything was over I wrote to the War Risk Bureau and expected the insurance would become payable to me, as I am his father and worked and raised the boy, but I was mistaken. They made it payable to my daughter, and so I made complaint to them, and that it was unfair and unjust, for the boy did not want it that way. That it was me who was deprived of his service, not his sister. This sister never did anything for him while I had to work for him. They answered my letter and told me that the Sweet Act passed by Congress said that if there was no beneficiary named or the beneficiary died it would be payable to the next of kin under the State law in which State the insured had lived last, and the Ohio State law says sisters and brothers are next of kin. They would like to do different, but it was out of their control. They knew it was not right, it is unfair and unjust, but Congress made it that way. Now, if the law of Ohio is that way, why should the war-risk insurance come under it?

COMMITTEE ON THE POST OFFICE AND POST ROADS,
HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., May 11, 1921.

Hon. SAMUEL E. WINSLOW,

Chairman Committee on Interstate and Foreign Commerce,

Washington, D. C.

MY DEAR SIR: I inclose herewith H. R. 4808, amending the war-risk insurance act, which I feel sure should be enacted into law, or some similar bill which will accomplish the end desired.

A bill of like kind has been introduced in the Senate, I think, by Senator King. The Bureau of War Risk Insurance, after much delay and after reversing itself, took the position, which I think is unwarranted, that in cases where service men had been discharged from military duty and left funds with the department, which had accumulated as monthly pay, travel allowance, bonus, etc., that this could not be applied for reinstatement of insurance unless the soldier had filed with the bureau a written request that such funds left with the department were for the purpose of paying unpaid premiums.

I have a case in mind where the War Risk Bureau reinstated a policy after the death of the soldier and paid the beneficiary monthly for more than a year, but discontinued payment after the decision of the attorney for the bureau to the effect that the money left with the bureau could not apply to reinstatement of the policy.

I have no particular pride in the passage of my own bill, but do insist that some legislation on the line of my bill should be enacted as a great injustice is being done, quite a number of fathers and mothers of ex-service men who gave their lives in the defense of their country.

Very respectfully,

THOS. M. BELL.

EXHIBIT 2.

Washington, D. C., May 13, 1921.

Hon. BURTON E. SWEET,

House of Representatives, Washington, D. C.

DEAR SIR: With your consent I would like to submit for consideration some suggestions of amendment to your bill, H. R. 3.

The first thing I want to get into the minds of the lawmakers is that I haven't any ax to grind; I am not looking for a position; and do not expect anything from the Government in my own personal behalf, but my interest in this bill is wholely and solely for the benefit of the disabled World War veteran. All any one has to do is to live in the hospitals, as I have done for the past two and one-half years, and picture yourself as a World War sick veteran, away from home and friends, and see how well

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satisfied you will be. Then picture yourself back in your own State with the State board, made up of your own citizenship, in charge of all of your affairs and with the satisfied feeling that you are within phone call of your relatives and home, and ask yourself the one question: "Under which conditions would you get well and become a useful citizen to your country?" I would say, which would suit you the best? Who would look after you best? Who has your interest at heart, and wants to see you get well, the citizens in your own home State or some mechanical Government employee?

We have been guessing at this proposition long enough. It is time now to act. We have tried the cold-blooded system of letting the soldier live under the Government's management, but nobody direct, and it is time to begin to try and save as many of these boys as we possibly can by getting a personal interest aroused in the citizenship of every State in the Union in its own citizens, and the only way we can do that is to arouse the personal interest and pride of each State in its own, by segregating all the World War disabled veterans back to their own State.

I am herewith attaching statement of some of the advantages suggested of the State board system over the original district system.

Under the regional system you only change the present situation by breaking up the big boards here in Washington and doing away with that one station of delay and red-tape, and you reduce the delays just one point only. You still have the system grouped into districts, where a record system is kept, of the many suboffices scattered about in the different States within that district, (another case of duplicating the work) and you leave it optional to have suboffices as the director may direct; if the case originates in a suboffice, the district office must make a complete record of it for it is the district office which passes on the case; and if it originates in the district office, nine times out of ten when it is referred to the suboffice, where the case is located, a complete record is made (another case of duplicating the work).

If you make it a compulsory State veteran's bureau board, located in each State (or you may consolidate two or more State boards when the number of disabled veterans should be less than 100, in any one State by placing on the board citizens from each State) I would suggest that the board be located at the capital of the State, then when a case comes up for attention, all records are there. It is handled by the citizens of the State that the veteran is a citizen of, a personal interest is in the case, not a mere mechanical interest. Each Senator and Congressman to-day handles case after case that he never heard of the man before, but he is appealed to as a citizen of the State the gentleman in Washington is representing, and the personal interest is shown because he is from my State, says the Representative, and until you do get some system that arouses the interest of citizenship in your disabled veteran, you are going to have these thousands of complaints coming in to your Senators and Congressmen, appealing for help to get this done and that done because your soldier boy is away from home and among strangers who only have a working mechanical interest in him. I have stood over the death bed of boy after boy who was many miles from his home State and not a relative near or even a friend to take the message back to the loved ones at home, and the remains are shipped back just the same as that much merchandise, and so long as you have the regional system, these same conditions will exist. Doctors are paid for 8 hours work (and 9 out of 10 do it mechanical) watching the clock's hands for the hour to arrive when he can leave for the day, and forget everything until work hours to-morrow, no other interest in the case other than his salary, he gets for his service, unless he happens to strike up with a case from his own State, then watch that doctor take a personal interest in that boy. I have seen this demonstrated more than once in hospitals that I have been connected with since the armistice was signed.

If you have the State board system, segregate all the disabled veterans back to their own State for treatment, rehabilitating, and education, done by the citizens of his own State, under the State board's exclusive control, and said board reporting only to the director of the veteran's bureau, and that report to be not less than quarterly in a consolidated, condensed form of what the board is doing, making this State board responsible in every respect for its own veterans. Then, and then only, have you solved your problem and put an end to your many appeals for justice and continued annoyances.

The State board will put an end to the hospital tramping that is fast growing into a serious question, and will have control over their own veteran citizens who need the care of someone that is interested in them.

Under the regional system, a man can be in district No. 5; if he does not like the treatment that he is getting there he goes to district No. 12, stays a short time, gets the tramp idea, and he leaves again and goes to No. 3; and in each case he has done

it of his own accord, and is a man with a communicable disease, well knowing that Uncle Sam will take him in when he lands in the other district; and then his papers must all be made over in each district, new in every respect. This takes clerical labor, and when he does not get what he wants wherever he is, he writes his Congressman to get it for him. Under the State board system he is under control of the citizens of his own State, and he can not very well appeal for strangers' help in preference to his own people back in his home State. If one should ever take the notion that his Congressman can do something for him, and writes for said help, it is very easy to refer him back to the folks at home who have all his papers there, and they will do it for him. It will soon be well advertised that this is the fact, and these wandering boys will settle down to business and we will be able to cure many of them that we will not unless this tramping is stopped. Under the State board system you put an end to the case for once and always he is at home where his relatives live, where his friends live, where his interest is located, where he can live when he gets well, where his people can come and see him while he is sick, and in case he should pass on to the other side, his relatives can be at his bedside in his last hours on this side and take the remains home with them, which is so near and dear to us all, our own blood and flesh. If he survives the ailment, he is where those that are doing for him have more than a mechanical interest in him. They have a pride in citizenship in him. It is the next thing to that of a parent to its own child, the environments are better to his liking and he feels that he has something to live for, that somebody has an interest in him.

The State would get its portion of the money in circulation that is spent in this great cause of rebuilding our disabled veterans. There would be no more tie-ups in what State is the place to locate big hospitals; each State would look after its own, and the great duplicating expense that is now exercised by the bureaus, and regional offices would be brought to a close, and you would see that it would cost no more for clerks in the State boards than it has cost in the bureaus and regional districts, and now while the time is ripe for a solution to the great question I appeal to you to give this State segregation and State board system a fair consideration. I don't care what method you use to get this question settled into a State segregated condition and keep it out of politics. What I want to see is the results for disabled veterans and you will never control him outside his own State so long as he can travel.

I am speaking from actual experience that I have gathered for the last two and a half years working with these disabled men ever since the armistice was signed as vocational adviser with the Federal board from December 1, 1918, to August 1, 1919, and as reconstruction officer in tubercular hospitals until April 1, 1921.

Very respectfully,

SAM. BUCKLEW

Room 619, *Metropolitan National Bank Building, Washington, D. C.*

EXHIBIT No. 3.

WOMAN'S PRESS CLUB OF NEW YORK CITY,
WALDORF-ASTORIA, April 13, 1921.

To the Hon. BURTON E. SWEET,
House of Representatives, Washington, D. C.

DEAR SIR: Some time ago the Woman's Press Club of New York, numbering nearly 400 members, appointed me as chairman of its veterans' welfare committee, and instructed me to head a delegation to appear before your committee in behalf of the disabled-soldier legislation you are placing before Congress. Following are the members of our committee of fifteen:

Mrs. Lillian Paschal Day, chairman; Mrs. E. V. Shepard, vice chairman; Mrs. W. J. Wilson, treasurer; Mrs. Robert M. Hall, secretary; Mrs. Emma Gates Armstrong, Mrs. Eva Lovett Carson, Mrs. Frederick E. Pierce, Col. Neta J. Boardman, Mrs. Evadne P. Turner, Miss Sara Palmer, Miss A. B. Rorison, Mrs. Meda Terry Ogden, Mrs. Clarence Dickinson, Mrs. Juliette Southard, and Mrs. Julian Heath.

It may interest you in your great work to know that I have gathered data for 80 surveys of individual cases illustrating the need of better Government provision for our wounded veterans. These have come under my personal observation doing welfare work in institutions where these men are patients, both Public Health Service hospitals and private institutions where they are farmed out at so much per diem.

I have tried to follow the devious red-tape trails leading through 50 compensation claims, only 10 of which have been satisfactorily concluded in three months.

We, as a committee, donating our services and contributing to the club fund for the benefit of a ward containing 64 beds for gassed and bronchial cases, have come into personal touch with much suffering and destitution that your proposed laws alone can permanently alleviate. The Red Cross is for a war-time emergency, and claims not to have enough funds for these peace-time needs. The Government does not clothe these men, as they are no longer in the Army. It gives only insufficient hospitalization—there are not half enough doctors and nurses to give proper care. Fifty-seven nurses attempted the impossible task of caring for 1,200 patients at Fox Hills, Staten Island, last winter, and that meant night and day duty both, an average of over 45 patients to each nurse. Some wards of tubercular patients had only a visiting nurse who came once a day for a short time. Small wonder that some men died alone behind a screen. These cases should be in the mountains, not at the damp seashore. These boys gasping for breath in the fog would find it easier to fill their gas-seared lungs up in the mountains.

Otisville, N. Y., was taken over by the Government during the war and about \$100,000 was spent to make it into a sanitarium for tubercular patients, but I believe the hospital has been locked and empty for more than a year. We have secured positions in the hills of New Hampshire, and near Liberty, N. Y., for men who asked for their hospital discharge, in order to avail themselves of these chances to overcome incipient tuberculosis. Of 50 bronchial cases from poisoned gas, 10 of whom had already become tubercular, we found a dozen or more walking about the damp corridors with no socks in February, their bare feet touching the ground through hole-worn shoes.

These are the same marching feet that we sent with cheers and flag waving to the muddy trenches of France. Where is our cheering now? They need it far more now than then.

Over 60 had no underwear at all; few had a change. Some have families in actual want. Thirty-six were marked on our first survey, "N. C."—no compensation. We had furnished food and infants' clothing to the wife of one of these N. C.'s, but her new-born twins died and were buried in the potter's field by the city of New York. Yet I saw on that man's honorable discharge paper these phrases that ought to be vivid with meaning: "Anti-aircraft Machine Gun Battalion Four Battle Fronts: gassed in action; 40 days in Brest hospital, France."

We have collected and given out 28 full suits of clothes, 34 pairs of shoes, and had sock drives by school children in Brooklyn and New York and saved several families from eviction for lack of rent. The 80-year old mother of one of our men is expected to keep alive on \$3 a week given by the Red Cross, \$2 of which pays for her tenement room almost under Brooklyn Bridge, the remaining \$1 being supposed to furnish her with food. The young wife of another, an expectant mother, with a 10-months old child, was given the choice of a \$6 a week position, which she was unable to fill, or \$3 a week to support herself and child offered by the Red Cross.

These are not isolated cases. They are typical of a tragic condition which welfare work can not permanently improve, but which your proposed legislation can change at the source.

The soldiers' disability compensation is greatly in arrears. One boy in our ward, who was almost blind, waited nearly two years to be awarded \$8 a month. Another, a volunteer, has shrapnel still behind his ear and a badly wounded leg. Yet his compensation has been discontinued entirely. My correspondence with the Washington bureau on compensations has become insolvent and cumbersome, owing to the lack of coordination among the three bureaus having this work in hand. The medical reports appear to be the key-logs in the jam, inasmuch as no action can be taken until these reports are obtained by the other bureaus. I think the Public Health Service should be brought under most stringent supervision in this regard. As things are now, it holds the whip hand.

It is conducted under the absurd and anomalous régime of a military officialdom over civilian patients. These ex-soldiers have been discharged from the Army, yet they are hemmed in by armed guards whose presence arouses their justifiable resentment; they are entangled in a labyrinth of red tape and Army regulations. Uniformed officers line the path to the top, making it almost impossible to reach the "boss" over the heads of various subofficials below him. He seldom or never gets the facts on both sides of a story.

It is like running the gauntlet of an array of pointed spears; the runner, if he is sick and maimed to start with, is too spent to give a coherent account of himself, even if he should be admitted to the presence, and the chances are nine to ten he won't.

Such conditions constitute a menace to the safety and wellbeing of this army of returned heroes to whom we owe every possible meed of gratitude for their great sacrifice in defense of the flag.

If I can be of any service in this great cause, you have only to let me know.

Very sincerely,

Mrs. LILLIAN PASchal DAY,
Chairman Veterans' Welfare Committee
Woman's Press Club of New York.

WOMAN'S PRESS CLUB OF NEW YORK CITY, WALDORF-ASTORIA.

To the Hon. BURTON E. SWEET,
House of Representatives, Washington, D. C.

DEAR SIR: In accordance with your request I am giving you further data regarding our work in behalf of veterans' welfare, and shall hope soon to see you when our delegation arrives in Washington. I would like to say that much of the following material has been gathered in my personal investigations beginning with war work when I was a volunteer investigator, and is not altogether connected with my work as chairman of the Woman's Press Club committee; but I have included these, among others, to make up 80 surveys, which I shall place at your disposal when I come to Washington.

In this communication I would like to lay especial stress upon the need of sympathy toward these men instead of active hostility, as I have found in many places, incredible as it seems.

My note books show dates and names, accompanying phrases like this: "Hysterical women, fussing over drunken degenerates." "Bunch o' bums." This last applied in my hearing to a whole ward full of medals.

Remember the service man had to be in perfect physical trim to be qualified to go out and be killed for us. If he is broken and maimed now he should at least be free from cowardly insult, even if he wears no laurel wreath from a grateful Republic.

"Compensationitis" is another pet epithet which I have heard applied to all activities in furtherance of delayed compensations—often delayed two years to award 10 per cent, or \$8 a month, for a "game leg" that will never be anything but game—the same as its owner! Again and again I have heard a boy say, "I have been here five or six or seven weeks and have had no treatment yet," and as often have listened with sinking heart for the only really logical reply, a promise to see that treatment would be forthcoming, only to be disappointed with, instead, a brusque "You can get your discharge to-morrow." And the discharge came, too, in spite of protest.

There was Tattio, who complained of feeling bad and of not having received treatment in the several weeks of his hospitalization, who was sent out the next day, then made his way to a Brooklyn private hospital, where he died very soon after. Ten patients were discharged by one "hard-boiled" ward doctor, and three went to the New York board and were sent back to other wards in the same hospital on the following day. A discharge with condition marked "good" when the man is really worse, both in weary body and harassed spirit, is far-reaching in its effects, for it stops or lowers his compensation rating in Washington, which is made up from his medical report in hospital.

REPRISALS NOT UNCOMMON.

Small reprisals upon complaining offenders occur daily in open sneers and expressed doubts of the patient's real illness whose chart he had not even examined, the revocation of passes, cutting off small privileges, denying meals without dietary reasons, and delayed reports.

But worst and most terrible of all in its ultra-Russian ferocity is the brutal revenge of sending to the hated and feared "coo-coo ward" any man who has been unfortunate enough to incur the active enmity of a "hard-boiled" medical officer, or who is likely to become a dangerous witness. A commitment as an incompetent will throw a patient's testimony out of court as inadmissible.

The doctor of the ward has it absolutely in his power to brand the stigma of suspected insanity upon any victim, for, while there is a board of examiners, they are not personally acquainted with the alleged suspect and rely largely upon the recommendations of the one doctor who is supposed to have had the patient under observation. Even if the examining physician is conscientious in making more than a desultory routine examination and sends the patient back to his own ward with a high

mental rating, as occasionally happens, the onus of suspicion has been fastened upon him and may take years to shake off.

There was Richard Lynch who had been twice cited for bravery in the Navy before the war, having saved lives when his ship was on fire. He went home on pass to see his sick mother, two days after he had undergone a minor operation, returned to the hospital late and asked to be allowed to go in to his ward the back way, as he was weak and the entrance was a full half mile away.

The guard refused with an oath and an insult, menaced with his loaded gun, and finally sat upon the boy and beat him up, the guard being twice Richard Lynch's size. Lynch testified to this before Col. Wickersham at the American Legion hearing—and the next day was sent to the "coo-coo" ward for mental examination. Another patient taunted him about it and a rough-and-tumble ensued. He was given a hundred per cent mental rating and sent back to his ward.

What man could get well under such gad-fly treatment?

Another young man protested so warmly against being railroaded to the mental ward that he was finally allowed a "fifty-fifty" arrangement: He could sleep in his own ward and go to the other for treatment. Incidentally, it is far from soothing to the worried wife of such a man, herself perhaps struggling to keep a roof over her children's heads till the father is again on his feet—to be told that he has been "under observation" as to his sanity. And it isn't even mercifully camouflaged under the gentler term, shell-shock.

The poisoned barb so lodged in a faithful, loving heart may rankle and sting her into a cold sweat of fear long after her husband has returned to her. For of all the cruel, terrifying tortures that can be inflicted on the human soul, the constant, gnawing fear of insanity, either in oneself or a loved one, is the most difficult to endure with fortitude.

10,000 CALLED PSYCHIATRICS.

There are nearly 10,000 war victims who have been classed as "psychiatrics" in various stages of mental affection, from the shell shocks to the violently insane, not counting the merely nervous or neurasthenic, who, en passant, are often remanded to the same wards with the "crazies"—which must conduce greatly to that quiet peace of mind necessary to nerve recovery. The ranks of the insane are increasing at the alarming rate of 300 a month—at least they are alleged to be insane.

The rate of hospitalization compensation allowed those adjudged incompetent is \$90 a month. Ninety times 10,000—\$900,000 a month if all were allowed the full disability rating. But even half that amount would be enough to attract the "powers that prey."

Do you think the Government gives sufficient protection in Treasury Decision Number 59?

"The bureau upon the furnishing of proper estimates by the chief executive officer of an institution where claimant is confined will furnish him with all necessary comforts and desires, exclusive of his medical care, treatment, and maintenance, and hold all surplus funds to claimant's credit to be paid to him upon complete recovery, or in the event of death to his personal representative."

Are there not loopholes here for abuses?

In a number of cases investigated it was shown that less than 20 per cent of the compensation was used for the patient's "necessary comforts and desires," while the surplus vanished mysteriously, no one knew whither, sometimes a mere dummy or the fictitious name of a woman lawyer masked the real receiver of the funds.

"Railroading" becomes thus an easy thing to accomplish.

One of the most potent propagandist forces in the war was hatched out of this belief and increased the war hysteria which in its later reaction has worked injury to the Nation's defenders. The floating of rumors as to the sanity of any person or group was a favorite device let loose by enemy agents.

It is the simplest thing in the world—once float such a bit of scandal about the sanest man living, and his every act or word, even the most prosaic and commonplace is laid open to misconstruction.

That suspicion can be capitalized by the unscrupulous, beginning with the hired stool pigeons of the "lunacy custodian," and the step toward commitment becomes a slippery slide. Only one signature is necessary to deprive a human being of his constitutional right to life, liberty, and the pursuit of happiness.

Even the most sympathetic and conscientious alienist is often puzzled as to the exact placement of the shadowy boundary line between acute neurasthenia and hys-

teria or shell-shock and actual insanity. The most brilliant intellects in history have fallen under this suspicion:

"For genius is to madness near allied,
And thin partitions do the bounds divide."

Another element in the soldier situation is not sufficiently considered by many doctors—the so-called "idiosyncrasy" of certain physical organisms against certain drugs. Some people can not absorb quinine at all, even in infinitesimal doses. Others are made positively ill, glassy-eyed and unnatural-looking by such common specifics as calomel or aspirin. Narcotics may have an effect directly opposite to the soporific—small doses of morphia have been known to set a sufferer off into semidelirium, while another man was totally unaffected by the same quantity.

Small wonder then that a man, unused to drugs of any kind, still carrying in his body the effects of numerous inoculations—one veteran told me he had 19, another over 30—left weakened in nervous and mental resistance by the stress and horrors of human slaughter, should find himself on the perilous edge of collapse.

The knowledge that he is being watched by none too friendly eyes for the faintest variation from normalcy, adds to the danger of unbalancing his reason. Financial worries and fears for his dependents load him down. At this precarious point he is an easy prey to the "compensation wolves," whereas if he were segregated from the exciting cases around him, given quiet, good food, and sympathetic care, free from antagonism and distrust, with his family saved from want by a grateful Government, he would pass the crisis in safety and eventually recover his health, poise, and earning power.

The mingling of nervous and mental cases in the same wards can not be too strongly condemned. If diagnosis is beyond the physician in charge he should be at once replaced by skilled experts who can differentiate as nearly as possible between the two ailments.

I would recommend a thorough investigation of conditions in such places as Wards Island, Lynwood Lodge, Englewood, N. J., and similar institutions whose patients have given me statements of cruelty, cheating, and other abuses.

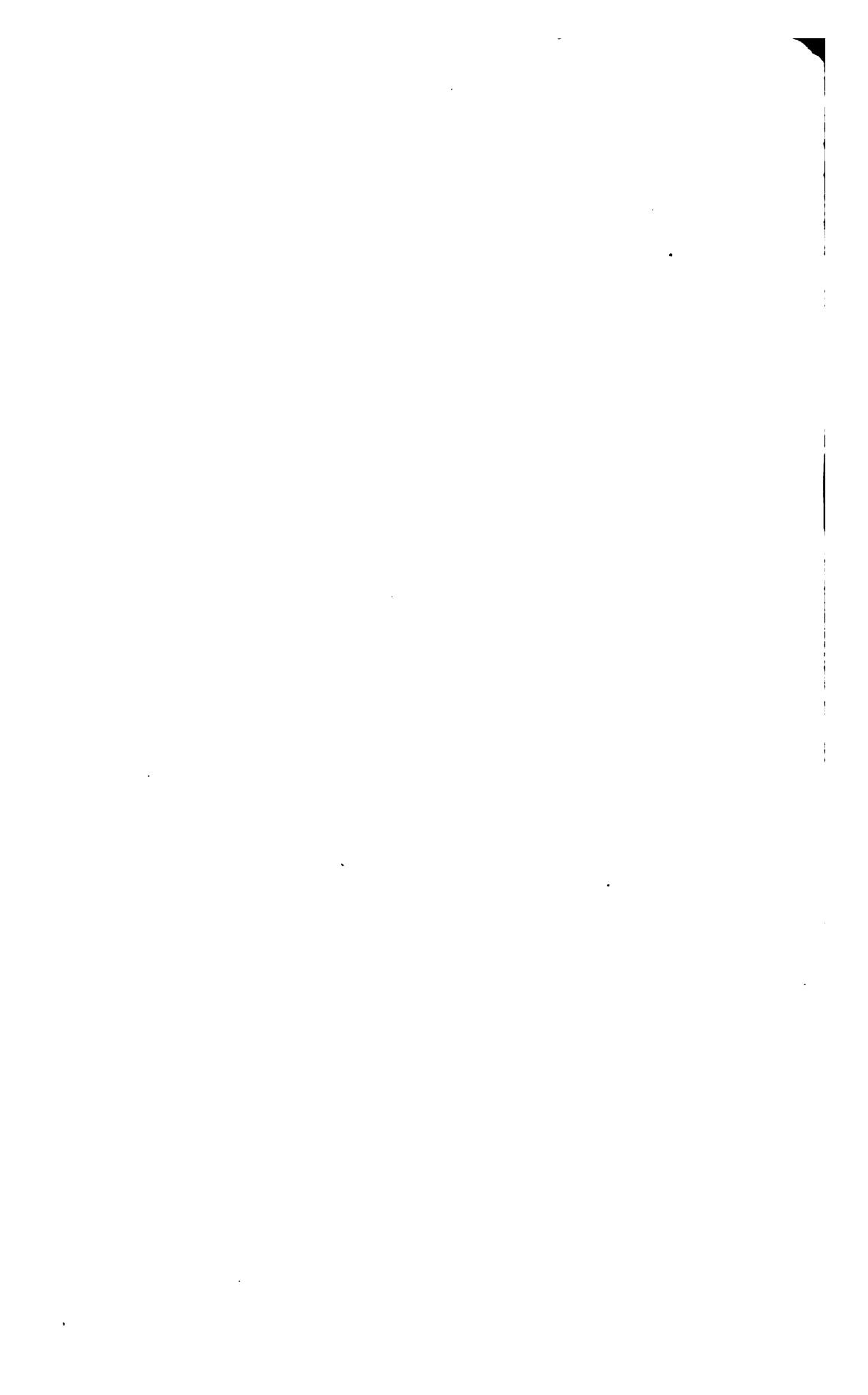
Very sincerely,

LILLIAN PASCHAL DAY,
Chairman Veterans' Welfare Committee
Woman's Press Club of New York

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